

**1/16/78**

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# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Zbigniew Brzezinski to Pres. Carter, 5 pp.	1/13/78	A
Memo	Denis Clift to V.P. Mondale, 21 pp.	1/14/78	A
Letter	John Wayne to Ronald Reagan, 3 pp. re: personal matter	11/11/77	C
Memo	Hamilton Jordan to Pres. Carter, 15 pp. re: judicial appointment	1/14/78	C
Memo	Charles Warren, Gus Speth & Marion Edey to Pres. Carter, 3 pp., re: NRC appointment	1/13/78	C
Memo	Frank Moore to Pres. Carter, 2 pp., re: Mtg. w/Senator Howard Baker	1/13/78	C

## FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of the Staff Sec.-Pres. Hand-writing File 1/16/78 BOX 68

## RESTRICTION CODES

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

January 16, 1978

MR. PRESIDENT

If you want to return from Minneapolis On Air Force I with certain Congressmen that you want to talk with, you should consider the following:

You would probably have to stay in Minneapolis another two hours to go to the grave-side ceremony (in another town) rather than departing as scheduled (4:05 p.m.)--- the reason being that it would be awkward for you to depart and take with you a certain number of people who have planned to attend the grave-side ceremony.

Do you wish to extend your stay and return on  
Air Force One? \_\_\_\_\_

Or depart as scheduled and return on the Jet Star  
(with one or two guests), returning to the South  
Lawn by 7:20 p.m. ✓  
\_\_\_\_\_

TIM KRAFT

THE WHITE HOUSE  
WASHINGTON  
January 16, 1978

Stripping

The attached was returned in the Presidents outbox today and is forwarded to you for appropriate handling. Please mail the letter to Frances Ohmstede.

Rick Hutcheson

RE: AGRICULTURAL GRAINS AS POTENTIAL SUBSTITUTE  
FOR AUTOMOTIVE FUELS

THE WHITE HOUSE

WASHINGTON

January 13, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

SUBJECT: Letter to Democratic National  
Committeewoman Frances Ohmstede

I am recommending that you sign the enclosed letter to Ms. Frances Ohmstede in response to her letter to you concerning the use of ethanol from agricultural grains as a potential substitute for automotive fuels.

In a nutshell, we are saying that this issue is being given full consideration and that several agencies are involved in addressing the role of alcohol fuels in our economy.

THE WHITE HOUSE

WASHINGTON

January 16, 1978

To Frances Ohmstede

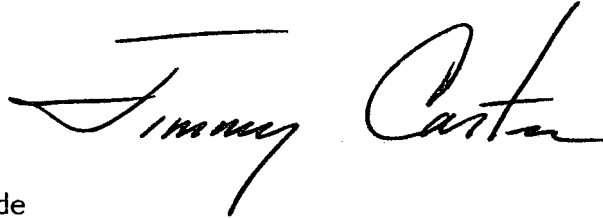
I have read your letter from the Democratic National Committee concerning the use of ethanol from agricultural grains as a potential substitute for automotive fuels. I have sought advice from Stuart Eizenstat and Secretary Schlesinger on this matter. First, let me say that the Executive Branch in conjunction with the Congress has already taken a number of measures to relieve the distressed situation that many of the nation's farmers currently are experiencing. The Agricultural Act of 1977 contains several features such as the establishment of a food and feed grains reserve, a land set-aside program, and higher loan rates and target prices. These measures, I believe, will increase prices to the American farmer while still maintaining this nation's competitive position in the world market. Setting grain prices at 90% of parity, as stated in your letter, was viewed as potentially damaging to the U.S. long term agricultural export market, and as such I did not recommend this action to the Congress.

The Administration is carefully evaluating the prospects for use of ethanol and methanol as automotive fuel substitutes. In this regard, Secretary Schlesinger has recommended that the Fiscal Year 1979 budget for alcohol fuels be doubled so as to accelerate investigations of use of ethanol and methanol as fuel additives.

My Administration has not yet determined its policy and program for alcohol fuels. As your letter points out, the issues associated with alcohol fuels are numerous and technically complex. The Department of Energy has formed a special task force on alcohol fuels for domestic automotive fuel supplies to help assess these opportunities. This task force will complete its initial work during the early part of 1978. Further, an Inter-Agency Task Force including the Departments of Agriculture, Commerce, Defense, Energy, Transportation, and the Treasury, in addition to the Environmental Protection Agency, is addressing the role of alcohol fuels in our economy. The Domestic Policy Staff will be monitoring these efforts and coordinating our policy and program for alcohol fuels with these and other relevant agencies.

Thank you for writing and coming to Washington to discuss your proposal with Stuart Eizenstat and the Domestic Policy Staff. If you have any further questions or comments on this matter, please do not hesitate to contact me, the Domestic Policy Staff, or Dr. Schlesinger and the Department of Energy.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink on a light background.

Ms. Frances Ohmstede  
Rural Route 1, Box 75  
Guide Rock, Nebraska 68942

0187

THE WHITE HOUSE  
WASHINGTON  
January 16, 1978

Charles Schultze

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. There were no other comments on the draft message.

Rick Hutcheson

DRAFT ECONOMIC MESSAGE

THE WHITE HOUSE  
WASHINGTON

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no other comments*

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<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

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<input type="checkbox"/>	WARREN

THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

*Good J*

January 6, 1978

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CJS*  
Subject: Draft Economic Message

Attached is a proposed outline of the 1978 Economic Report of the President.

We plan currently to release the President's Economic Report shortly after the State of the Union Message -- separate, for the first time, from the CEA's own Annual Report. Your Economic Report will be a comprehensive statement of your economic program and the reasoning behind it. It can serve as a framework within which economic reporters, business leaders, and others can interpret the tax message, budget document, and other individual elements of your program.

The outline forms the basis of a draft being prepared now by my staff. I wanted you to review it while we are still in the drafting stage, however, in case you have particular concerns about the general tone or specific content of the Report.

Attachment

Electrostatic Copy Made  
for Preservation Purposes

I. Economic Background

A. Performance in 1977 good.

1. Note record on job creation, real GNP growth, inflation;
2. Note importance of stimulus package in keeping recovery going.

B. Progress in dealing with unemployment better here than abroad -- compare with other OECD countries.

C. However, after three years of recovery, economic performance in United States still not satisfactory.

1. Economy still operating below capacity;
2. Recovery has bypassed major sectors of American people -- youth, blacks;
3. Inflation continues at unacceptable rates.

D. Present condition of economies around the world is a result of lingering effects of the economic trauma of the early 1970s.

1. The runup of oil prices continues to impose great burdens.
2. Fears of renewed inflation have made many countries reluctant to adopt stimulative policies.
3. Effects of trauma have left a sense of unease and uncertainty among our people, and particularly affects the business community and their investment plans.

E. The problems we face are difficult

1. Not just dealing with unemployment or inflation alone -- but with inflation in the midst of the widespread unemployment.
2. But they are solveable if we have the will, the confidence in ourselves, and the patience to work towards basic solutions.
3. We must recognize that the complex problems we face today cannot be solved overnight. What is needed are long-range plans, not short-term actions that paper over the underlying problems.

II. What are our objectives for the economy?

A. To move steadily towards a high employment economy.

1. Over the next several years, should seek to increase real output at a 4-1/2 to 5 percent rate -- and reduce unemployment about 1/2 percentage point a year.
2. Must make sure that economic opportunities are available for everyone and available on an equal basis.

B. Rely principally on the private sector as the primary source of economic growth.

1. Consistent with our historic traditions. Five of six new jobs created in private sector today.
2. Most likely to make effective use of our resources.

Government, through competent management, can meet national needs, yet still claim a diminishing share of nation's output.

3. Likely to contribute most to our future capacity to produce.
- C. Improve our control over inflation as we regain a more fully-employed economy.
1. Would provide great benefits for those who live on fixed incomes, and create a more stable climate for business and consumer planning.
  2. Most importantly, renewed inflation would seriously reduce the prospects for returning to a high employment economy.
  3. Must deal with inflation from two perspectives:
    - a) Unwind from the inflation inherited from the past.
    - b) Take steps to avoid reigniting inflation as the recovery proceeds.
- D. Provide for a more equitable distribution of incomes for the various segments of our society.
1. Make our tax system fairer and simpler.
  2. Restructure and reorganize our welfare system.
- E. Accomplish our objectives in ways that contribute to the health of the world economy.

1. Nations have become more interdependent economically.
2. If we take actions that benefit other nations,  
we will eventually reap the benefits ourselves.
3. We cannot maintain a position as a world leader  
unless we act commensurately in every major field.
4. If we take actions that harm others, they will  
surely retaliate.

III. Summary Statement of Economic Strategy  
to Reach these Objectives

1. An effective national energy program must be  
adopted promptly.
2. Through careful management of Federal budget  
expenditures, we will meet national needs while  
gradually reducing the share of our national  
output that goes to Federal spending.
3. Tax reductions will be used to return to our citizens  
the funds saved by holding the line on expenditures.
4. Our long-range budgetary plans will aim for achievement  
of a balanced budget as we regain high employment.
5. Greater emphasis will be given to the promotion of  
business capital formation.
6. Programs will be instituted that deal more effectively  
with the two kinds of inflationary problems our nation  
now faces: reducing the current rate of inflation;  
and preventing a reacceleration of inflation as  
we approach high employment.

7. Existing programs will be improved and new ones developed to attack the problem of structural unemployment.
8. Our tax and welfare systems will be made simpler, fairer, and more effective.
9. Our international economic policies will continue to encourage free trade and a strong international monetary system.

#### IV. The Individual Elements of the Strategy

##### A. Passage of the National Energy Plan

1. Enactment of a national energy plan a critical step.
2. Our nation is using energy in prodigious amounts.
3. Our heavy dependence on foreign sources of oil is a growing problem for ourselves and others.
4. The energy problem will have to be faced sooner or later.
5. The energy problem we face is an enormously complex one. It is not surprising that Congress has had a difficult time coming to a decision on the various elements of the proposal I recommended last April. I will work with the Congress towards a bill that meets the basic principles that must underlie our energy program. (Brief discussion of principles)

B. Controlling Federal budget expenditures

1. Federal outlays higher than the 19 to 20 percent of GNP that prevailed for many years.
2. There are many important national goals which can only be met by Federal programs.
3. But because government not subject to discipline of market place, we need tight control over expenditures.
4. The discipline of continually balanced budget is not feasible.
5. Placing limits on Federal expenditures in relationship to overall economy is essential tool of control.
6. I have exercised very strict controls over the FY 1979 Budget, and I intend to continue that policy.
7. Strict budgetary control over expenditures will not prevent us from moving ahead with important new initiatives.

C. Using tax reductions to maintain growth of the private economy

1. Maintaining tight controls over Federal spending will permit the return of substantial amounts of money to taxpayers in the form of tax reductions.

2. Tax reductions will be the major instrument to keep the economy moving forward at a steady pace.
3. The size of major income tax reductions must depend on a variety of considerations.
  - a) The level of payroll taxes will increase substantially over the next five years.
  - b) Inflation and real growth will push individuals into higher tax brackets.
  - c) Tax reductions may at times be needed because growth in the private economy lags for other reasons.
4. The 1978-79 tax cut proposed in my budget is consistent with the strategy I intend to use in conducting fiscal policy. (Include description of personal and business tax cuts)
5. Effects of tax reductions
  - a) Without these reductions, economic growth would slow sometime in late 1978 or in 1979 because of rising payroll taxes and fiscal drag.
  - b) With this reduction in tax burdens, economic growth in 1978 should be in the neighborhood of 4-1/2 to 5 percent, and in 1979 near the upper end of that range.
  - c) Unemployment should continue to fall.

- d) Business investment should increase significantly.
- 6. Keeping a tight rein on spending will permit additional reductions in years to come, but cannot forecast with precision.
- D. Our long-term budget strategy is to move toward a balanced budget as we return to a high employment economy.
  - 1. Budget deficits in 1978 and 1979 will be more than \$60 billion. Two factors particularly will influence when we can return to a balanced budget over next few years:
    - a) State and local government budgets used to be approximately in balance, but are now, and are likely to continue to be in surplus; this acts as a drag on the economy.
    - b) Large U.S. oil imports and slower economic growth abroad are depressing factors on growth of U.S. economy.
  - 2. Continuation of economic recovery may require additional tax reductions after 1979.

- a) We will continually assess the strength of the economy as it develops over next four years.
- b) Timing of budget balance will depend upon the need for additional tax reduction, based on that assessment; tradeoff between tax reduction and budget balance.

E. Promoting a higher rate of capital formation

- 1. Improving standards of living depend on productivity gains, which depend, in turn, on rate of capital formation.
- 2. Growth of capital stock particularly slow since 1974, but growth of labor force has been rapid.
- 3. Without an increase in investment, problems would build for the future.
  - a) Capacity shortages will emerge before we regain full employment of the labor force.
  - b) Productivity increases would be smaller, reducing improvements in standard of living and further aggravating inflation.
- 4. Policies to promote business capital formation
  - a) Steady growth of markets the most important ingredient.
  - b) Must maintain conditions in financial markets conducive to raising funds for investment.

- c) Specific tax measures to increase business profits and investment incentives can be helpful.
- d) Substantial progress is needed to reduce the uncertainty of governmental regulations, and to decrease the costs of regulation.

F. Obtaining better control over inflation

- 1. We have two different inflationary problems to deal with:
  - a) We have inherited from the past an inflation rate that is stuck in the 6 to 6-1/2 percent range. It must be brought down.
  - b) We must also guard against a renewed outbreak of inflation as our economy recovers.
- 2. The problem of inherited inflation
  - a) Our current inflationary problem not maintained by excess demand.
  - b) Since 1974, inflation rate has come down -- from 12 percent to 6 to 6-1/2 percent presently. That inflation has persisted even in the face of economic slack.
  - c) We will not try to solve this problem by deliberately holding down growth.

- d) And we will not try to solve it with wage and price controls. They are not the answer.
- e) There are no easy or sure cures for the problem, but we must proceed to tackle it. Otherwise, the probability is high that the inflation rate will move up as the economy approaches fuller prosperity.
- f) There are steps the Federal Government can take to reduce the effect of its own actions on prices.
  - 1. We must reform the regulatory process to minimize the inflationary impact of regulation.
  - 2. We are exploring ways to develop a framework -- analogous to the Federal budget -- within which to assess the overall impact of the government's regulatory activities, so as to set priorities and understand effects.
- g) Government alone, however, cannot unwind the current inflation.

- h) I am now asking business and labor to participate in a deliberate deceleration of inflation.
  - 1. The presumption in each industry should be that prices and wages will be raised less over the next year than the year before.
  - 2. The need for exceptions must and will be recognized.
  - 3. I will use this deceleration criterion in making my recommendations to the Congress on the size of the pay raise for Federal workers, due to take place in October.
- i) In all candor, I cannot guarantee that this approach will achieve the objective of beginning to unwind inflation. But with cooperation it can work
  - . it is feasible
  - . it is fair
  - . it is flexible
- 3. Guarding against a renewed outbreak of inflation
  - a) Maintaining firm discipline over the budget is the most important step we can take.
  - b) Promote business capital formation.

- c) Reduce dependence on foreign sources of oil.
- d) Build farmer-held grain reserves.
- e) Improve the functioning of our labor markets to reduce structural unemployment.
- f) Success in the inflation fight will be critical in determining how far we can push recovery in future.

G. Structural unemployment

1. Unemployment among some groups in our economy is far higher than the national average.
2. A generally healthy economy is not enough, even in good times some groups have very high unemployment rates.
3. Persistence of such high rates adds to inflationary problems; as economy moves up some labor markets tighten, while substantial number of the disadvantaged are still looking for work.
4. Efforts of this Administration to date: Expansion of PSE and YEDPA; major improvement of targeting to the disadvantaged.
5. Further measures: Continue PSE at 725,000 through 1979; expand YEDPA in 1979.
6. Top priority to new private sector initiative: being developed now for submission to Congress in early March.

H. Achieving a fairer distribution of income

1. Reaching a high employment economy with inflation under better control will go a long way towards making the distribution of income more just and equitable.
2. A substantial segment of society will still need Federal assistance, however.
3. Our present welfare system has reduced substantially the number of people with below poverty level incomes.
4. The welfare reform proposal sent to the Congress this past summer rectifies a number of the problems in the present system. (Very brief description)
5. I am also proposing significant reform and simplification of the income tax system in the tax bill I have sent to the Congress. (Brief discussion)

I. The international economy

1. The world economy is in a state of disarray.
  - a) Unemployment is very high.
  - b) Inflation is proceeding at a very high rate almost everywhere.

- c) Many countries with large trade deficits are experiencing severe pressures on their balance of payments and on their exchange rates; others are running enormous surpluses.
  - d) Markets for many internationally-traded commodities seriously depressed, and protectionism is rising.
2. It is of major importance that we work together with other nations to develop mutually beneficial solutions to our mutual problems.
3. Steps must be taken to correct imbalances in world trade.
- a) We, in the United States, can make a major contribution by dealing effectively with our energy problem. Others have acted much more responsibly than we have.
  - b) Countries with surpluses should be encouraged to liberalize their import policies, discourage export promotion, and put more stress on expansion of domestic demand to absorb the resources released as their surpluses decline.
  - c) We must accept the consequences of trade and current account imbalances for movements of exchange rates. But, particularly in view of importance of the dollar, we also recognize

need to cooperate with other nations in insuring orderly markets. Exchange rates should reflect underlying conditions, not speculation.

- d) Existing imbalances in trade positions likely to persist for awhile. Support efforts of international institutions to help recycle funds from surplus to deficit countries.
4. U.S. must take steps to facilitate more rapid economic progress of developing nations around the world.

9:00 AM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

C

MEMORANDUM TO: THE PRESIDENT

FROM:

Jack Watson  
Jane Frank

January 13, 1978

RE:

Proposed Agenda, Cabinet Meeting  
Monday, January 16, 1978

1. Welcome the Vice President home from his pilgrimage to the West (it was a great success);
2. Briefing by the Vice President, Frank Moore and John White on the 1978 Congressional elections, the role we hope the Cabinet will play in those elections, and the mechanism for coordinating their activities with Frank's office (approximately twenty minutes);
3. Ask Charlie Schultze to summarize briefly your economic program. (If you wish, we could schedule a separate Cabinet briefing on this subject early next week, prior to your State of the Union Message;)
4. Remind the Cabinet that there will not be a Cabinet meeting Monday, January 23. (We have already alerted the departments by phone;)
5. Comments from Cabinet members.

CC: The Vice President

Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

January 16, 1978

Bunny Mitchell

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson

RE: LETTER TO MRS. KING ON MARTIN  
LUTHER KING'S BIRTHDAY

THE WHITE HOUSE  
WASHINGTON

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Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

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<input type="checkbox"/>	WARREN

THE WHITE HOUSE  
WASHINGTON

January 11, 1978

*done  
J*

MEMORANDUM FOR: THE PRESIDENT

FROM: BUNNY MITCHELL

*B*

As you know, Martin Luther King, Jr.'s birthday is Sunday, January 15. Although we have formally acknowledged the occasion in written message, I think it would be especially gracious if you were to telephone Mrs. Coretta King at a convenient moment over the weekend.

Optional times to telephone:

1. Sunday morning - 8:00 a.m.  
at her home (404-523-1686)
2. Saturday, prior to 10:00 a.m.  
or at 12:00 noon, Ebenezer  
Church (404-688-7263)

RECOMMENDATION: Option 1.

DECISION:

\_\_\_\_\_ #1  
\_\_\_\_\_ #2  
\_\_\_\_\_ OTHER

COPY

THE WHITE HOUSE

WASHINGTON

December 28, 1977

To Coretta Scott King

Not yet half a century has passed since your husband's birth, and he has already been gone from us for almost a decade. This anniversary reminds us forcefully of what one life can mean and of what can be done in a relatively short time to remove the obstacles that have blocked the progress of human beings for generations.

Dr. Martin Luther King, Jr., left us guideposts: his dedication to breaking down the barriers that separated people and his vision of a world where a person's only limitations would be the individual's own will and ability to learn and use opportunities.

The non-violence he practiced requires a spiritual, intellectual and even physical commitment -- a willingness to risk everything on the principle that you can love your enemies into submission to a higher good. He became the worldwide symbol of the power of that principle and the cost of that commitment.

We must renew our own commitment, must again tap that great power and use it to solve the problems that still face those he always championed, the poor and the oppressed. He taught us that whatever stands in the way of meeting needs can be overcome -- even the inertia of the comfortable.

I join you in honoring him and the cause of brotherhood he served.

Sincerely,

/s/ JIMMY CARTER

Mrs. Coretta Scott King  
The Martin Luther King, Jr.  
Center for Social Change  
671 Beckwith Street, S.W.  
Atlanta, Georgia 30314

MS

THE WHITE HOUSE  
WASHINGTON  
January 16, 1978

Stu Eizenstat

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

RE: DOMESTIC POLICY STAFF WEEKLY  
STATUS REPORT

THE WHITE HOUSE  
WASHINGTON

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ACTION	FYI	
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	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

January 14, 1978

cc Stu  
J

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
SUBJECT: Domestic Policy Staff Weekly Status Report

ECONOMICS AND BUSINESS

Tax Reform: We are working with Treasury on the Tax Message to Congress and will have a draft to you early next week.

Economic Policy: We are working with CEA, OMB and Treasury on the coordination of the January economic policy initiatives and on the Economic Message.

Arab Boycott Regulations: We are working with the Commerce Department to develop final regulations.

CIVIL SERVICE MATTERS

Hatch Act Reform: The interagency task force continues to meet with the Senate staff to discuss amendments. We are also working with Frank on overall legislative strategy. We will be talking with Senator Chiles about possibly floor managing the bill.

*Brown  
is  
Concerned  
why?*

Civil Service Reform Initiative: The final decision memorandum is being drafted by Chairman Campbell and OMB. They will have it to you soon. Reorganization project personnel are beginning to draft possible legislation and an interagency legislative and media team is meeting weekly. Exploratory talks were held with unions to discuss what could be traded with them in changing the framework of federal labor relations to gain their support for the civil service reform package, and this will be discussed in the decision memorandum. I had a meeting with OMB, Secretary Brown, Secretary Marshall and the Civil Service Commission last week to discuss what position the Administration should take in the negotiations being held with the unions. Progress was made.

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## HOUSING AND URBAN DEVELOPMENT

Fanny Mae: We are awaiting recommendations from HUD regarding the resolution of continuing disagreement between HUD and Fanny Mae over the corporation's policies and management. Speaker O'Neill and Senator Cranston have a strong interest in this issue. Memo to you as soon as recommendations are received.

Community Development Block Grant Regulations: There is Congressional support, but opposition from mayors, to HUD's administrative decision to require that 75% of CDBG funds be used to benefit low-income persons. Memo from Assistant Secretary Embry to you as soon as we receive it.

Urban Policy: We are working closely with Pat Harris on a memorandum describing urban policy principles and objectives which we will submit to you shortly.

New York City Financial Plan: We are working with Treasury in formulating an appropriate federal approach in the post-June 30, 1978 period.

## NATURAL RESOURCES

Ocean Pollution: Working with NSC and interested agencies to prepare decision memo for you on whether to amend law extending domestic oil and hazardous substances restrictions beyond 12 miles.

Excess Lands (160-acre limitation): Vice President Mondale and Secretary Andrus are announcing to Western Governors on January 13 that there will be no cut-offs of water deliveries for enforcement purposes while the Environmental Impact Statement is being prepared. We continue to work with Interior and Agriculture on policy issues.

Non-fuel Minerals Policy Study: Secretary Andrus and I are meeting with the Cabinet-level Coordinating Committee on January 18 to officially launch the study.

Deep Sea Mining: Working with OMB and interested agencies to develop detailed Administration position on legislation.

Outer Continental Shelf: Participating in informal talks with House staff on proposed Administration floor amendments.

### ENERGY

National Energy Act (NEA): We are working with Schlesinger, Blumenthal, McIntyre, Schultze and Moore to develop options for compromises on the energy bill and strategy recommendations. Memo to you this week.

Nuclear Licensing Reform: Extensive meetings held over last two weeks with CEQ, NRC and DOE to define issues which must come to you for resolution. Principals meeting to be held January 25. Memo to follow shortly thereafter.

Energy Impact Assistance: Continuing to work with DOE, OMB and Watson to form Administration position and possible legislative initiative to assist communities with negative impacts resulting from energy development.

### HUMAN RESOURCES

Veterans: We are beginning preliminary work on an inter-agency effort to examine the problems of Vietnam veterans. Our efforts to assist these veterans have thus far been uncoordinated and poorly portrayed. We expect to have the memorandum ready within the next ten days.

Aging: The Civil Rights Commission has just issued a report on age discrimination in federal programs. The recommendations made by the commission are reasonable and we are coordinating the response by the agencies to the report. Written responses are due to the Congress within 45 days.

Pension Commission: We are moving forward with preparing for the pension commission. The budget contains funding and we will be submitting legislation. We are also organizing a meeting with interested groups to help define the agenda of the commission. These efforts are being coordinated with Mr. Kirbo and OMB.

### HEALTH

*good*  
Black Lung: As presently drafted, the benefits provided by the Conference Committee on Black Lung would exceed the revenues of the coal mine operators Trust Fund by about \$400 million over the next five years. This \$400 million would have to come from general revenues. We are working with DOL and Congressional Liaison to persuade the conferees to provide that Trust Fund revenues will be equal to the new Black Lung benefits.

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## AGRICULTURE AND RURAL DEVELOPMENT

Sugar: A decision memorandum on implementation of the sugar price support program is now being proposed.

Crop Insurance: We are continuing to work with USDA and several other agencies to prepare a decision memo on this topic. It should come to you in early February.

*Be  
Careful.  
Subject to  
gross abuse*

White House Conference on Balanced Growth: In cooperation with Jack Watson's staff, we are working with the Conference Staff and with Governor Rockefeller to complete preparations for the Conference, to be held January 29 - February 2. Domestic Council had statutory responsibilities.

## POSTAL MATTERS

Postal Reform: H.R. 7700, the postal reform bill strongly opposed by the Administration, is scheduled to be acted upon by the House Rules Committee January 24 or 25. The postal clerks and carriers unions expect 4,000 uniformed postal workers from all fifty states to come to Washington that week to lobby the Congress to pass the bill.

*I may  
veto it*

## MISCELLANEOUS

Congressional Veto Message: I continue to work with Bob and the Justice Department on our message.

GSA Space Requests: I am meeting with Jay Solomon on January 20 to discuss pending requests of federal agencies for additional space. We will follow your previous directive.

*Check -  
Fallows  
today*

State of the Union: We continue to work with Jim Fallows' staff on a draft of the State of the Union Message, and are preparing a draft of a more detailed message to be submitted in addition to your delivered text. Both drafts will be to you shortly.

THE PRESIDENT HAS SEEN.

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THE WHITE HOUSE

WASHINGTON

MEMORIAL SERVICE FOR SENATOR HUMPHREY

U.S. CAPITOL

Sunday, January 15, 1978

10:37 am

You and Mrs. Carter board motorcade on South Grounds.

MOTORCADE DEPARTS South Grounds en route U.S. Capitol.

(Driving time: 8 minutes)

10:45 am

MOTORCADE ARRIVES U.S. Capitol.

PRESS POOL COVERAGE  
CLOSED ARRIVAL

NOTE: Also attending the service will be:

Former President Richard Nixon  
Former President and Mrs.  
Gerald Ford  
Former Vice President Nelson  
Rockefeller  
Former Secretary of State Henry  
Kissinger  
Mrs. Lyndon Johnson

You and Mrs. Carter proceed to holding room.

10:47 am

You and Mrs. Carter arrive holding room.

PERSONAL TIME: 6 minutes

NOTE: Mrs. Johnson will also be in the holding room.

10:53 am                    You and Mrs. Carter depart holding room  
en route Rotunda steps.

10:55 am                    You and Mrs. Carter arrive Rotunda steps  
and greet Vice President and Mrs. Mondale  
and Mrs. Humphrey.

OPEN PRESS COVERAGE

You and Mrs. Carter, Vice President and  
Mrs. Mondale and Mrs. Humphrey proceed  
inside Rotunda and take your seats.

11:00 am                    Prayer by Rev. Edward L.R. Elson,  
Chaplain of the U.S. Senate.

11:02 am                    Musical selection by Robert  
Merrill.

11:05 am                    Violin selection by Isaac Stern  
trio.

11:07 am                    Remarks by the Vice President.

11:12 am                    You proceed to podium.  
  
Presidential remarks.

FULL PRESS COVERAGE  
LIVE TELEVISION

11:17 am                    Remarks conclude.  
  
You return to your seat.

                             Musical selection by Robert  
Merrill.

11:20 am                    Prayer by Rev. Elson.

11:22 am                    Violin selections by Isaac  
Stern.

11:27 am                    You and Mrs. Carter, Vice President and  
Mrs. Mondale and Mrs. Humphrey observe  
a moment of silence.

                             The Military Honor Guard assumes  
position.

11:32 am                    You and Mrs. Carter, Vice President and  
Mrs. Mondale, Mrs. Humphrey and Mrs.

Johnson depart Rotunda via Capitol steps,  
following behind the casket.

OPEN PRESS COVERAGE

11:37 am                      Senator Humphrey's casket  
                                 is placed in the motorcade.

You and Mrs. Carter bid farewell to  
Vice President and Mrs. Mondale and Mrs.  
Humphrey and proceed to motorcade for  
boarding.

NOTE: You and Mrs. Carter are  
to stay with Mrs. Humphrey  
until her motorcade departs.

11:45 am                      Senator Humphrey's motorcade  
                                 departs U.S. Capitol.

NOTE: Mrs. Johnson will depart  
via separate motorcade.

11:50 am                      MOTORCADE DEPARTS U.S. Capitol en route  
                                 South Grounds.

(Driving time: 8 minutes)

11:58 am                      MOTORCADE ARRIVES South Grounds.

THE WHITE HOUSE  
WASHINGTON

DRAFT OF REMARKS FOR  
MEMORIAL SERVICE, JANUARY 15, 1978,  
SENATOR HUBERT HUMPHREY

At critical times in our history,  
the United States has been blessed by  
the presence of <sup>great people</sup> ~~a~~ <sup>man</sup> person who, just  
by being ~~oneself~~ <sup>themselves</sup> ~~himself~~, gives us a  
vision of what we are at our best -  
and what we can become. Hubert  
Humphrey was such a man.

In a time of <sup>impending</sup> social crisis,  
30 years ago, his ~~voice~~ was the  
first <sup>voice</sup> I ever heard - a lone voice  
~~courageously~~  
persistently demanding basic human  
rights for all Americans. ~~He~~ <sup>His</sup> ~~He~~ <sup>was</sup>  
a clear, strong, passionate voice  
which <sup>recruited others to join</sup> ~~opened~~ the long battle in ~~the~~

our country  
~~South~~ for the <sup>equal</sup> rights of black people  
 to vote, to hold a job, <sup>to go to school</sup> & to own

a home. It was the most difficult  
 moral and human issue ~~faced~~ which  
 the people of my generation would  
 have to face.

I first met Hubert Humphrey  
 when he was Vice President - torn  
 because his heart was filled with  
 love and <sup>because</sup> he yearned for peace,  
 while <sup>at the same time</sup> he was meticulously loyal  
 to his President who had our  
 nation ~~in time~~ of through an  
 unpopular war.

I <sup>also</sup> remember him in a time of defeat, courageously leading a divided Democratic party - losing his uphill campaign for President by just a few votes. ~~He~~ <sup>but he</sup> was a big man - and <sup>without bitterness</sup> gave his generous support to the new President, and came back <sup>to the Senate</sup> to serve his nation <sup>once</sup> again.

For the last year of his life I knew him best, and as President I needed ~~I knew him as a wise counselor~~ him most, ~~and a personal friend~~. Despite campaign disagreements and <sup>my</sup> harsh words spoken under pressure and in haste, it was not in his nature to forget how to forgive. He has given me

freely what I needed ~~most~~ - The  
support and understanding of a <sup>close</sup> friend,  
the ~~wise~~ advice of a wise and  
honest counselor.

I know that he  
~~has~~ has been an inspiration and  
a conscience  
to us all - <sup>but</sup> especially to the leaders of our nation -  
to John Kennedy, to  
Lyndon Johnson, to Richard Nixon,

to Gerald Ford and to me. We and  
our families are here to testify <sup>that among us, feeling that the part played by</sup> to his influence  
~~may well have blessed our country more than~~ more than  
~~any of us.~~ any of us.

When he first visited me  
in the Oval Office I felt that  
he should have served there. It may  
well be that he has blessed our country most of all.

His greatest personal attribute  
was that he really knew how to  
love. There was nothing abstract or  
remote about <sup>it</sup> that love. He did not

love ~~for~~ humanity only in the mass.  
~~abstract~~ You could feel it <sup>in the scope of</sup> <sup>his interest,</sup> <sup>his</sup>  
 words, the clasp of his hand, and  
 the genuine eager interest of his eyes.

He always spoke up - for the  
 weak and the hungry, the victims  
 of poverty and discrimination. He  
 never lost sight of our human  
 possibilities. He never let us  
 forget that in our democratic  
 nation we are a family, bound  
 to one another by kinship of purpose  
 and by mutual ~~love~~ <sup>concern</sup> and respect. He  
 reminded us that we ~~are~~ must always  
respect protect and nurture the

other members of our national family.

As ~~the~~ Yesterday, as the messages poured in from throughout the world, I realized vividly that Hubert Humphrey was the most beloved of Americans, and that his family encompassed not just the United States, but all people everywhere.

He asked that this service be a celebration, and so it is.

Even as we mourn his <sup>death</sup> ~~passing~~, we celebrate because such a man was among us.

The joy of his memory will last far longer than the pain and sorrow of his ~~loss~~ leaving.

MEMORIAL SERVICE FOR SENATOR HUBERT HUMPHREY

THE PRESIDENT HAS SEEN.

AT CRITICAL TIMES IN OUR HISTORY, THE UNITED STATES HAS BEEN  
BLESSED BY THE PRESENCE OF GREAT PEOPLE WHO, JUST BY BEING THEMSELVES,  
GIVE US A VISION OF WHAT WE ARE AT OUR BEST -- AND WHAT WE CAN  
BECOME.

HUBERT HUMPHREY WAS SUCH A MAN.

2

IN A TIME OF IMPENDING SOCIAL CRISIS, 30 YEARS AGO, HIS  
WAS THE FIRST VOICE I EVER HEARD -- A LONE VOICE PERSISTENTLY  
DEMANDING BASIC HUMAN RIGHTS FOR ALL AMERICANS.

IT WAS THE MOST DIFFICULT MORAL AND HUMAN ISSUE WHICH THE  
PEOPLE OF MY GENERATION WOULD HAVE TO FACE.

HIS WAS A CLEAR, STRONG, PASSIONATE VOICE WHICH RECRUITED OTHERS  
TO JOIN THE LONG BATTLE IN OUR COUNTRY FOR THE EQUAL RIGHTS OF BLACK  
PEOPLE TO VOTE, TO HOLD A JOB, TO GO TO SCHOOL, TO OWN A HOME.

I FIRST MET HUBERT HUMPHREY WHEN HE WAS VICE PRESIDENT --  
TORN BECAUSE HIS HEART WAS FILLED WITH LOVE AND BECAUSE HE YEARNED  
FOR PEACE, WHILE AT THE SAME TIME HE WAS METICULOUSLY LOYAL TO  
HIS PRESIDENT WHO LED OUR NATION THROUGH AN UNPOPULAR WAR.

I ALSO REMEMBER HIM IN A TIME OF POLITICAL DEFEAT, COURAGEOUSLY  
LEADING A DIVIDED DEMOCRATIC PARTY -- LOSING HIS UPHILL CAMPAIGN FOR  
PRESIDENT BY JUST A FEW VOTES.

BUT HE WAS A BIG MAN -- AND WITHOUT BITTERNESS GAVE HIS  
SUPPORT TO THE NEW PRESIDENT, AND CAME BACK TO THE SENATE TO  
SERVE HIS NATION ONCE AGAIN.

FOR THE LAST YEAR OF HIS LIFE I KNEW HIM BEST, AND AS  
PRESIDENT I NEEDED HIM MOST. DESPITE CAMPAIGN DISAGREEMENTS AND  
MY HARSH WORDS SPOKEN UNDER PRESSURE AND IN HASTE, IT WAS NOT IN  
HIS NATURE TO FORGET HOW TO LOVE.

HE HAS GIVEN ME FREELY WHAT I NEEDED -- THE SUPPORT AND UNDERSTANDING OF A CLOSE FRIEND, THE ADVICE OF A WISE AND HONEST COUNSELOR.

WHEN HE FIRST VISITED ME IN THE OVAL OFFICE I FELT THAT HE SHOULD HAVE SERVED THERE.

I KNOW THAT HE HAS BEEN AN INSPIRATION AND A CONSCIENCE TO US ALL -- BUT ESPECIALLY TO THE LEADERS OF OUR NATION -- TO HARRY TRUMAN, TO JOHN KENNEDY, TO LYNDON JOHNSON, TO RICHARD NIXON, TO GERALD FORD, AND TO ME.

WE AND OUR FAMILIES ARE HERE TO TESTIFY THAT HUBERT HUMPHREY MAY WELL HAVE BLESSED OUR COUNTRY MORE THAN ANY OF US.

HIS GREATEST PERSONAL ATTRIBUTE WAS THAT HE REALLY KNEW  
HOW TO LOVE.

THERE WAS NOTHING ABSTRACT OR REMOTE ABOUT IT.

HE DID NOT LOVE HUMANITY ONLY IN THE MASS.

YOU COULD FEEL IT IN THE SCOPE OF HIS CONCERN, IN HIS WORDS,  
THE CLASP OF HIS HAND, AND THE GENUINE EAGER INTEREST OF HIS EYES.

HE ALWAYS SPOKE UP -- FOR THE WEAK AND THE HUNGRY, THE VICTIMS  
OF POVERTY AND DISCRIMINATION.

HE NEVER LOST SIGHT OF OUR HUMAN POSSIBILITIES.

HE NEVER LET US FORGET THAT IN OUR DEMOCRATIC NATION WE ARE A  
FAMILY, BOUND TO ONE ANOTHER BY KINSHIP OF PURPOSE AND BY MUTUAL  
CONCERN AND RESPECT.

HE REMINDED US THAT WE MUST ALWAYS PROTECT AND NURTURE THE OTHER MEMBERS OF OUR NATIONAL FAMILY.

YESTERDAY, AS THE MESSAGES POURED IN FROM THROUGHOUT THE WORLD, I REALIZED VIVIDLY THAT HUBERT HUMPHREY WAS THE MOST BELOVED OF AMERICANS, AND THAT HIS FAMILY ENCOMPASSED NOT JUST THE UNITED STATES, BUT ALL PEOPLE EVERYWHERE.

HE ASKED THAT THIS SERVICE BE A CELEBRATION, AND SO IT IS.

EVEN AS WE MOURN HIS DEATH, WE CELEBRATE BECAUSE SUCH A MAN WAS AMONG US.

THE JOY OF HIS MEMORY WILL LAST FAR LONGER THAN THE PAIN AND SORROW OF HIS LEAVING.

#

#

#

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THE WHITE HOUSE  
WASHINGTON  
January 16, 1978

Frank Moore.

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson

RE: WEEKLY LEGISLATIVE REPORT

THE WHITE HOUSE  
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

*return orig to me*

ACTION	FYI	
<input type="checkbox"/>	<input type="checkbox"/>	MONDALE
<input type="checkbox"/>	<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	<input type="checkbox"/>	LIPSHUTZ
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<input type="checkbox"/>	<input type="checkbox"/>	POWELL
<input type="checkbox"/>	<input type="checkbox"/>	WATSON
<input type="checkbox"/>	<input type="checkbox"/>	McINTYRE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	GAMMILL

<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

January 14, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

THE PRESIDENT

FROM:

FRANK MOORE

SUBJECT:

Weekly Legislative Report

1. ENERGY

The strategy of urging Senator Jackson to get active in fashioning a natural gas compromise is working. The Chairman has telephoned all key Senate conferees except Senator Durkin.

Both Durkin and Senator Ford have approached us with compromises during the last week. In both cases, the suggestions were very close to the compromise described in the senior staff energy memorandum you will receive.

That memorandum recommends we continue to oppose the refundable tax credit for home heating oil in the tax conference. We are certain that position will require some reevaluation. All 12 New England Senators demand the heating oil credit appear in the energy tax bill. We could lose most of these votes on the Senate floor and hurt some reelection campaigns as well if we insist on our rebate program rather than the refundable credit.

2. FOREIGN POLICY ISSUES

Panama: Momentum is clearly with us on the Treaties, but a lot of tough infighting will be necessary in order to defeat amendments. Friday's NBC poll indicated 62% of the American people favor the Treaties with the October 14 statement attached in some form. Consequently, we can now legitimately expect every Senator to decide this issue on its merits rather than on political considerations.

Because of the events of the last two weeks, our basic position should be one of opposition to all alterations to the Treaties except for an understanding incorporating the October 14 statement. This appears to be Senator Byrd's position. Senator Baker may insist on deletion of the sea-level canal provision as well, but you will know more about this after your meeting with him Monday.

Senator Dole is emerging as the primary threat to the Treaties. He has successfully divorced himself from the extremists and will attempt to organize and lead a group of Senators who will be just to the right of Senator Baker. Thus, he will be able to say he approached the issue rationally, but still appear as a more effective treaty opponent than Baker for purposes of the 1980 primaries. Many of his amendments will be difficult to defeat.

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On Monday, January 16, State's Legal Adviser Herbert Hansell and Assistant Attorney General John Harmon will testify before the House Merchant Marine and Fisheries Committee on the constitutionality of property transfer under the Treaties without legislation in both Houses, and the constitutionality of payments to Panama by the new Commission without the full annual authorization and appropriation process.

The Senate Foreign Relations Committee will conclude its hearings on the Treaties with three days of testimony, January 19, 20, and 25. Slated to appear on the 19th are a panel of historians (including David McCollough, author of Path Between the Seas) and a panel of legal scholars. On January 20, representatives of business and transportation organizations will testify, as well as Dr. Ely Brandes, our chief consultant on traffic levels and the effect of toll increases. Brandes will demonstrate that tolls can be raised considerably without diminishing canal revenues through diversion of traffic. Witnesses scheduled to appear on the 25th include Congressman Rudd, Governor Meldrim Thompson of New Hampshire, and representatives of the National Association for Uniformed Services, the National Congress of Hispanic American Citizens and the Ripon Society.

Senator Stennis still has not set a date for hearings in the Armed Services Committee. Both Senator Humphrey and Senator Metcalf were Treaty advocates. We should begin thinking about an appropriate way to urge the appointment of their successors in time for votes on key amendments during the first week of February.

Middle East: Secretary Vance held two breakfast briefing sessions this past week with key Members of the House and with Senators Church, McGovern, Bayh, Eagleton and Griffin. At both sessions, the Secretary reviewed objectives for the Jerusalem Ministerial meetings and took up the issue of continuing aid to Syria and the F-15 sale to Saudi Arabia. The congressional reception on these latter two subjects was mixed, but we clearly face rough going on the F-15 if the interested lobbies are vocal. State has arranged a series of telephone calls to other key Members this weekend explaining the current state of Middle East negotiations.

Mozambique: Chairman Doc Long has asked AID to hold up on its plan to reprogram certain Security Supporting Assistance funds to assist refugees in a number of African countries, including Mozambique. A January 25 subcommittee hearing is set with State's Richard Moose and is certain to focus on one issue: whether aid to refugees in Mozambique is an evasion of the legislative prohibition in the FY 1978 Appropriations Act against financing "directly" any assistance to Mozambique.

### 3. SUPPLEMENTAL APPROPRIATIONS/B-1 BOMBER

--Generally, it is agreed that the vote on the B-1 bomber should be held as soon as possible. Earlier this week, Jack Stempler, Secretary Brown's congressional liaison assistant discussed the issue with Senator Stennis. He is prepared to lead the way toward sustaining the pending rescission request but made quite a point that the principals' attention would be required if we are to succeed.

--Our vote is softer now than it was in December when Chairman Stennis decided to put the matter over. In retrospect, that decision is questionable. If you would seriously consider vetoing the supplemental without the B-1 rescission, we must begin spreading the word this week more forcefully than we have in the past. There is no question that you will have to make several telephone calls on this vote if we are to be successful.

--We will be meeting with staff from DOD and OMB on Monday to review data, projections, and soundings we have to date.

#### 4. WELFARE REFORM

Corman's Subcommittee will reopen its conceptual mark-up sessions on January 24 on the jobs portion. Corman hopes to have a draft bill ready for legislative language mark-up beginning the first of February.

The major issue in the jobs portion continues to be the question of whether to pay participants the minimum wage. The liberal members of the Subcommittee, supported by the AFL-CIO feel strongly about this and believe that "prevailing wages" must be paid. It is not clear whether we can win on this issue but it may be ultimately winnable once the bill is acted on in the House as a whole since there are a majority of more moderate Members there.

In the Senate, Secretaries Califano and Marshall are scheduled to testify before Senator Moynihan's Finance Public Assistance Subcommittee beginning February 7. The Senate Human Resources Committee has set no dates yet.

It is not at all clear whether there is any likelihood of final enactment by the Congress this session. At some point early in the year we will be faced with the question of how hard to push for final language decisions.

#### 5. CIVIL SERVICE REFORM

We have set up a task force co-chaired by the Congressional Liaison Directors from the OMB Reorganization Project and the Civil Service Commission, and with staff from our office, Domestic Policy and Public Liaison to insure that the initiative will proceed with a coordinated strategy that includes an active media campaign, thorough public and special interest group contacts and extensive congressional consultation.

The major issue outstanding in the package is the labor-management relations segment. The identity and degree of support from key Members will hinge on this decision to a certain extent. The task force agrees that by applying principals of private industry to the Civil Service the legislation stands to gain a good block of support from conservatives, but organized labor's reaction is still an unknown element. The issue of veterans' preference will also have a high visibility in the Congress. Max Cleland has agreed to the current draft, but reactions from veterans' and women's groups will have a major impact. In addition there have been statements of concern as to the timing of the submission (i.e. requests to submit the legislation before the reorganization plan), but meetings are being scheduled with Senator Ribicoff and Congressmen Brooks and Nix to resolve this issue.

We believe Congressman Udall could be persuaded to play a key role in the House in support of this initiative. In the Senate, we are having our usual problem with legislation in the Government Operations Committee--finding an effective spokesman for the bills in Committee and on the floor.

#### 6. POSTAL LEGISLATION

H.R. 7700, the postal reform bill sponsored by Congressmen Hanley and Wilson (Calif) is scheduled to be considered by the Rules Committee during the week of January 23 and is likely to move to the House floor the week of January 30 (the National

Association of Letter Carriers and the Clerks and Mail Handlers who support H.R. 7700 will have a legislation conference in D.C. during the week of January 30). Last September you selected the options which formed the core of the Administration's policy--a position that continues to place the largest financial costs of the Postal Service on the users of the mails and not the taxpayers. H.R. 7700 has been amended by the House Committee to further increase the costs to the taxpayers and to decrease the burdens of selected mail carriers. Nevertheless, the bill has substantial support in the House despite Administration and Postal Service objections.

Senator Glenn is more receptive to our position but his options will be limited if the bill steamrolls through the House. Thus, we hope you will raise this issue with the House leadership. You will receive a more detailed discussion in the briefing paper on your meeting with the Speaker.

## 7. LABOR LAW REFORM

Senator Williams' Labor Subcommittee will mark-up the bill on January 20 and pass it on to the full Committee to begin mark-up on January 25. Senator Byrd will not begin work on the bill until after the Panama Canal Treaties.

We expect a filibuster once the bill gets to the floor; no cloture vote count has been taken, but DOL believes we can get the required 60 votes. However, White House Congressional Liaison believes this will be very tough, since several of the moderate Republicans we must have for cloture have announced against.

The proponents of the bill feel that it will stand its best chance if it goes to the floor in a "balanced" posture and it has been refined somewhat by subcommittee staff. DOL will continue to work very closely with the AFL-CIO on this legislation.

## 8. OUTER CONTINENTAL SHELF

We have talked to the Speaker about bringing up the OCS bill early in the session. As you will recall, the Rules Committee failed to grant a rule late last year. There were four Democrats who did not support the request for a rule: Gillis Long (La), B.F. Sisk (Cal), John Young (Tex), and Morgan Murphy (Ill). Secretary Andrus has gone through the legal requirements to hold the Georges Bank (New England) lease sale on January 31, but he has made clear that he is leaving open the option of cancelling the sale pending Rules Committee action.

Presuming that with the Speaker's help we can get a rule, we still have a problem. Interior, OMB, and Commerce are working on a number of important issues related to anticipated floor action on the bill including the Coastal Zone Management provisions. Chairman Murphy's Coastal Zone Management provision is acceptable to the Administration except for the high \$125 million authorization amount. Commerce is negotiating with Murphy in an effort to get his agreement to take the Senate amount (\$75 million) when they go to conference. In trade, Commerce is offering him an Administration letter supporting the provision. In addition, Murphy and the Administration will be opposing Congressman Breaux's (La) amendment to this section which would distribute revenues derived from offshore oil drilling by revenue sharing. We will be using environmental arguments as well as asking Members from the Appropriations and Budget Committees to oppose the amendment on jurisdictional grounds. Our efforts in the Senate will be to keep Senator Johnston to his agreement.

## 9. REDWOODS

Senator Cranston will push for immediate scheduling of the Redwoods legislation on the Senate floor. We are likely to prevail, particularly since the labor organizations have moderated their opposition substantially. The Forest Service has indicated it will allow some additional cutting from non-redwood stands on adjacent national forests to compensate for restricted cutting of redwoods. However, we will fight efforts to legislatively mandate such a decision.

## 10. TUITION TAX CREDITS

The Byrd, (Va) Finance Subcommittee on Taxation has scheduled three days of hearings beginning January 19 on the proposals introduced by Senators Packwood and Moynihan to provide tuition tax relief for elementary, secondary and postsecondary tuition expenses. Senator Long has said he expects to take up the subject again--possibly in February--in connection with your tax reform proposals. A HEW-OMB task force is considering less expensive alternatives, but has not yet completed work.

## 11. ALASKA LAND

Congressman Seiberling's Interior Subcommittee will begin mark-up on January 16. The bill, as originally introduced by Mo Udall, designated 114 million acres for inclusion in the four systems (National Parks, Forests, Wildlife Refuges, and Wild and Scenic Rivers) but the Subcommittee staff has recommended 102 million acres, about 10 million acres more than the Administration's 92 million acre recommendation.

Congressman Lloyd Meeds will push his own bill which recommends approximately 90 million acres, but it includes mineral entry provisions and the elimination of critical wilderness designations in certain areas which are contrary to our proposals.

A well-funded, industrial, pro-development opposition is working to discredit the Administration's proposals. We will be working with Interior as the mark-up progresses. Eight of the eleven Democratic members of the Subcommittee are scheduled to attend the 94th-95th meeting with you on Tuesday, and this should be a good opportunity to express your views.

## 12. MISCELLANEOUS

--Eighteen congressional delegations are currently overseas, with the predominance of travelers visiting the Middle East and East Asia, especially Japan. Other than the Baker and Sparkman trips to Panama, the major groups are the Cranston delegation in China, the Williams/Stevens delegation in the Middle East and Europe and the Zablocki delegation in the Middle East. Both the Williams/Stevens and the Zablocki groups have received a forceful presentation by Prince Fahd on the Saudi request for F-15's.

--Secretary Blumenthal met last week with Chairman Ullman and will meet with Senator Long to go over the final contents of the tax package and the schedule of events. Treasury advises that while continuing to express his concerns, Ullman has agreed in principle to a schedule which would send the bill to the Senate by the beginning of June.

--Several hundred farm "strikers" are expected to converge on Washington as the second session begins next Thursday. USDA has received several requests from farm-state Members to provide speakers and meeting rooms, and is preparing a fact sheet to pass out listing some 21 new initiatives that have been taken by the Administration to help the farmer.

--Gus Hawkins' Employment Opportunities Subcommittee plans to hold four days of hearings in early February on the Humphrey/Hawkins bill. Marshall and Schultz will testify at the closing hearing and markup should follow quickly.

--Treasury is proceeding with careful planning for IFI appropriations and the Witteveen Facility, but will have a difficult struggle this session with both issues.

--Senator Stevenson's Banking Subcommittee on International Finance has scheduled extensive hearings in February on U.S. export performance and export policy. The hearings are designed to be helpful against protectionism.

--DOT suggests that OMB quickly send up to the Hill the Administration's suggested amendments on the Coal Slurry Pipeline bill. The House Interior Committee has tentatively set hearings for January 23.

--Senator Cannon will install his own aides, Aubrey Sarvis and Ed Hall, as chief counsel and staff director of the Commerce Committee. This will be a decided break with the past under Senator Magnuson when a very liberal committee staff was delegated substantial power and discretion by the Chairman.

--Reps. Tsongas and Bonker (94th class Members) just got back from Ethiopia and are concerned about your press conference statements about Soviet activities in the Horn of Africa. They may take issue with your assessment of the situation in Ethiopia.

--Frank will be meeting with Esther Peterson on Monday to discuss strategy for the consumer representation bill. Our intention is to move for a House vote early in the session.

--At the regular CL meeting Friday, Jim McIntyre briefed the agency CL officers on the FY 1979 budget. He did not go into specific amounts, but rather discussed the process used, the "themes" of the budget, and the schedule to be followed in announcing the budget. He also stressed the important role agency CL staff will play in maintaining the integrity of your budget during the authorization and appropriation process. DOD, HEW, HUD and other agencies are preparing to brief their key constituent Members and staff on the FY 1979 budget just prior to its official release in order to build support.

## FLOOR ACTIVITIES

### House

--The House will convene on January 19, and has scheduled two non-controversial bills: the Fish & Wildlife Improvement Act and agreeing to Senate amendments to the Federal Grant and Cooperative Agreement Act. The Supplemental Appropriations bill (if the Senate acts) and the Bankruptcy Reform bill could come up the following week. The week of January 30, the House may consider the Postal Reform bill and possibly the Outer Continental Shelf legislation, but no firm schedule has been set.

### Senate

--Senator Byrd has set no firm schedule, but the following bills could be brought up starting on January 19 and proceeding until the Panama Canal Treaties are ready the first week in February: Criminal Code Reform, Redwoods National Park, the Supplemental Appropriations, Waterway User Fees, and Nuclear Non-Proliferation.

---

THE WHITE HOUSE  
WASHINGTON

*Hold for  
rescheduling  
JC*

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THE WHITE HOUSE  
WASHINGTON

January 6, 1978

The Vice President  
Stu Eizenstat  
Jim McIntyre  
Jim Fallows

The attached is forwarded to  
you for your information.

Rick Hutcheson

RE: DRAFT ECONOMIC MESSAGE

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

MINNEAPOLIS/ST. PAUL, MINNESOTA

Monday, January 16, 1978

11:40 am                      You board helicopter on South Lawn.  
  
Helicopter departs South Lawn en  
route Andrews AFB.

(Flying time: 15 minutes)

11:55 am                      Helicopter arrives Andrews AFB.  
Proceed to Air Force One (Jetstar)  
for boarding.

12:00 noon                    Air Force One departs Andrews AFB  
en route Twin Cities Air Force  
Reserve Base, Minneapolis/St. Paul,  
Minnesota.

(Flying time: 2 hours,  
35 minutes)

(Time change: - 1 hour)

Lunch will be served on board.

1:35 pm                      Air Force One arrives Twin Cities Air  
Force Reserve Base.

OPEN PRESS COVERAGE  
CLOSED ARRIVAL

You will be met by:

Vice President and Mrs. Mondale  
Governor and Mrs. Rudy Perpich,  
(Lola) (D-Minn.)  
Col. Ralph T. Carlson, Base  
Commander

You proceed to motorcade for boarding.  
Gov. and Mrs. Perpich will ride with  
you.

Monday, January 16, 1978

1:40 pm

Motorcade departs Twin Cities Air Force Reserve Base en route House of Hope Presbyterian Church.

(Driving time: 25 minutes)

2:05 pm

Motorcade arrives House of Hope Presbyterian Church.

OPEN PRESS COVERAGE  
CLOSED ARRIVAL

Escorted by Vice President and Mrs. Mondale and Gov. and Mrs. Perpich, you proceed inside church to library.

2:06 pm

You arrive library and greet Mrs. Humphrey and members of the Humphrey family.

NOTE: Senator Wendell Anderson will also be in the library.

2:10 pm

Mrs. Humphrey and family depart library.

2:10 pm

Accompanied by Vice President and Mrs. Mondale, Gov. and Mrs. Perpich, Chip Carter and Sen. Anderson, you depart library en route seats.

2:11 pm

You arrive seat and remain standing.

2:15 pm

Ceremony begins.

NOTE: You take your seat after Mrs. Humphrey arrives her seat.

"Ave Maria" by Robert Merrill.

Invocation by Rev. Calvin Didier, Pastor, House of Hope Presbyterian Church.

Hymn, "A Mighty Fortress Is Our God".

Psalm 8 by Rabbi Max A. Shapiro, Senior Rabbi, Temple Israel, Minneapolis, Minn.

Musical selection by Tom Tipton.

Remarks by Dr. Robert Schuller.

Musical selection by Robert Merrill.

New Testament Lesson, John 14, by the Most Rev. John R. Roach, Archbishop of Archdiocese of Minneapolis/St. Paul.

"Halleluhah" by House of Hope Choir.

3:05 pm

Remarks by the Vice President.

3:10 pm

You proceed to pulpit.

PRESIDENTIAL REMARKS.

PRESS POOL COVERAGE

3:15 pm

Remarks conclude.

You return to your seat.

Sonata #1 in G Major by Isaac Stern and Eugene Istomin.

Meditation by Rev. Didier.

Prayers.

"You'll Never Walk Alone" by Robert Merrill.

"Alleluia".

"America the Beautiful".

Benediction.

3:30 pm

Service concludes.

Accompanied by Vice President and Mrs. Mondale, Gov. and Mrs. Perpich, Sen. Anderson and Chip Carter, you depart your seat and follow Mrs. Humphrey and the family to the vestibule.

3:32 pm

You arrive vestibule and bid farewell to Mrs. Humphrey and the family, Vice President and Mrs. Mondale, Gov. and Mrs. Perpich and Sen. Anderson.

3:35 pm

Accompanied by Chip Carter, you depart vestibule en route motorcade for boarding. Chip will ride with you.

OPEN PRESS COVERAGE  
CLOSED DEPARTURE

3:40 pm

Motorcade departs House of Hope Presbyterian Church en route Twin Cities Air Force Reserve Base.

(Driving time: 25 minutes)

4:05 pm

Motorcade arrives Twin Cities Air Force Reserve Base.

OPEN PRESS COVERAGE  
CLOSED DEPARTURE

You proceed to Air Force One (Jetstar) for boarding.

4:10 pm

Air Force One departs Twin Cities Air Force Reserve Base en route Andrews Air Force Base.

(Flying time: 2 hours,  
5 minutes)  
(Time change: +1 hour)

7:15 pm

Air Force One arrives Andrews AFB. Proceed to helicopter for boarding.

7:20 pm

Helicopter departs Andrews AFB en route South Lawn.

(Flying time: 15 minutes)

7:35 pm

Helicopter arrives South Lawn.

## PRAYER OF SAINT FRANCIS ASSISI

Lord, make me an instrument of Your peace!

Where there is hatred  
*let me sow love*

Where there is injury  
*pardon*

Where there is doubt  
*faith*

Where there is despair  
*hope*

Where there is darkness  
*light*

Where there is sadness  
*joy*

O Divine Master, grant that I may  
not so much seek to be consoled  
*as to console*

To be understood  
*as to understand*

To be loved  
*As to love.*

It is in giving  
*that we receive*

It is in pardoning  
*that we are pardoned;*

And it is in dying  
*that we are born to eternal life.*



# Hubert H. Humphrey

May 27, 1911 • January 13, 1978

House of Hope Presbyterian Church  
Saint Paul, Minnesota  
January 16, 1978

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THE NOYES MEMORIAL CARILLON PRELUDE Theophil Rusterholz

ORGAN PRELUDE

Partita "O Gott, du frommer Gott"	Bach
Wir glauben all' an einen Gott, Vater	Bach
Sonata III in A Major	Mendelssohn
Prelude and Fugue in Eb Major (St. Anne)	Bach
Liebster Jesu, wir sind hier	Bach
Wir glauben all' an einen Gott, Schopfer	Bach
Sharon Kleckner, organ	

INSTRUMENTAL PRELUDE

Sonata Number 1 in G Major, Movement 1	Brahms
Isaac Stern, violin Eugene Istomin, piano	

SOLO Ave Maria

Robert Merrill, baritone	Schubert
--------------------------	----------

INVOCATION

Calvin Whitefield Didier
Pastor, House of Hope Church

HYMN A Mighty Fortress Is Our God

Ein feste' Burg
-----------------

OLD TESTAMENT LESSON Psalm 8

Rabbi Max A. Shapiro
----------------------

Senior Rabbi, Temple Israel, Minneapolis, Minnesota
---

SOLO He'll Understand, Well Done

Tom Tipton, Baritone
----------------------

SPIRITUAL

Sabathani Baptist Church of Minneapolis
---

William J. Perry, Minister of Music
-------------------------------------

I'm Going Up Yonder

REMARKS

Dr. Robert Schuller
---------------------

SOLO The Lord's Prayer

Malotte
---------

Mr. Merrill

NEW TESTAMENT LESSON John 14

The Most Reverend John R. Roach
---------------------------------

Archbishop of the Archdiocese of St. Paul and Minneapolis
---

ANTHEM Hallelujah (Mount of Olives)

Beethoven
-----------

House of Hope Choir
---------------------

REMARKS

Walter F. Mondale, Vice President of the United States
--

REMARKS

Jimmy Carter, President of the United States
--

MUSIC Sonata Number 1 in G Major, Movement 2

Brahms
--------

Mr. Stern	Mr. Istomin
-----------	-------------

MEDITATION

Mr. Didier
------------

PRAYERS

RESPONSE Alleluia

Randall Thompson
------------------

HYMN America The Beautiful

Materna
---------

BENEDICTION

RESPONSE Hallelujah Chorus (Messiah)

Handel
--------

POSTLUDE Prelude and Fugue in C Minor

Bach
------



## **A MIGHTY FORTRESS IS OUR GOD**

A mighty fortress is our God, A Bulwark never failing;  
Our Helper He amid the flood Of mortal ills prevailing.  
For still our ancient foe Doth seek to work us woe;  
His craft and power are great; And armed with cruel hate,  
On earth is not his equal.

Did we in our own strength confide. Our striving would be losing;  
Were not the right man on our side, The man of God's own choosing.  
Dost ask who that may be? Christ Jesus, it is He,  
Lord Sabaoth His name, From age to age the same,  
And He must win the battle.

And though this world with devils filled, Should threaten to undo us,  
We will not fear, for God hath willed His truth to triumph through us.  
The prince of darkness grim, We tremble not for him;  
His rage we can endure, For lo! his doom is sure;  
One little word shall fell him.

That word above all earthly powers, No thanks to them, abideth;  
The Spirit and the gifts are ours Through Him who with us sideth;  
Let goods and kindred go, This mortal life also;  
The body they may kill: God's truth abideth still;  
His Kingdom is forever. Amen.

## **AMERICA THE BEAUTIFUL**

O beautiful for spacious skies, For amber waves of grain,  
For purple mountain majesties Above the fruited plain!  
America! America! God shed His grace on thee,  
And crown thy good with brotherhood from sea to shining sea!

O beautiful for heroes proved In liberating strife,  
Who more than self their country loved, And mercy more than life!  
America! America! May God thy gold refine,  
Till all success be nobleness And every gain divine!

O beautiful for patriot dream That sees, beyond the years,  
Thine alabaster cities gleam, Undimmed by human tears!  
America! America! God shed His grace on thee,  
And crown thy good with brotherhood From sea to shining sea!

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WEATHER FORECAST

PREPARED FOR  
"AIR FORCE ONE"

MONDAY: MINNEAPOLIS, MN

SUNNY, BREEZY AND COLD

ARRIVAL TEMPERATURE 5<sup>0</sup>F

WASHINGTON, DC

CLOUDY AND COLD WITH A CHANCE OF SNOW SHOWERS

ARRIVAL TEMPERATURE 30<sup>0</sup>F

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7 SINS of Gandhi  
POLITICS & out Principle  
Wealth WORKS  
PLEASURE - Convenience  
Knowledge - Character  
~~Commerce~~ ~~Promise~~ - morality  
Science - humanity  
Workshop - sacrifice

---

By THESE STANDARDS,  
~~HH~~ ~~had~~ ~~no~~ sin  
HH & out sin

---

Robt Merrill  
Tom Tipton  
Sabathani Bep  
Rae Stern

Humphrey Funeral 11/6/78

Camp DAVID = HOURS/FIRE  
FAVOR → ME

PEOPLE - GOOD THINGS

HURT - NO BITTERNESS

HH VS  
YESTERDAY - OUR NATION  
= TODAY - OTHER NATIONS  
UNDERSTOOD OTHERS

LOGJAM of COLD WAR

ARMS CONTROL/DISARM AGY

NUCLEAR TEST BAN

CONVENTIONAL ARMS SALES

AMERICAN FOREIGN AID

AFRICA HUMAN NEEDS  
ASIA

✓ FOOD FOR PEACE - MCGON

PEACE CORPS

AGRICULTURE

PUSH TOO HARD? ONE LIFE

SPIRIT X BARRIERS. RACE. RELIG.  
AGE = POL PARTIES. NATIONS  
America ~~the~~ Gandhi ← FAULT

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

January 16, 1978

PHONE CALL TO HATTIESBURG, MISSISSIPPI  
Monday, January 16, 1978

8:00 pm (10-15 minutes)  
The Oval Office

From: Joe Aragon JA

I. PURPOSE

To place a phone call to a Town Hall meeting in Hattiesburg, Mississippi and answer a selected question regarding the Panama Canal Treaties.

II. BACKGROUND, PROCEDURE, PARTICIPANTS

- A. Background: The Foreign Policy Association and the World Affairs Council in conjunction with local community groups is sponsoring a series of six town hall meetings throughout the country to debate the Panama Canal Treaties.

Each event will include the participation of several hundred citizens. The series, which began on Saturday, Jan. 14 in Springfield, Massachusetts includes meetings in Hattiesburg, Mississippi; Little Rock, Arkansas; Tucson, Arizona; Riverside, California; and Albuquerque, New Mexico.

Although the procedure for each town hall meeting varies, each event will present an overview of the treaties and in some cases a debate will take place. In addition, votes will be taken in the states of Massachusetts, Mississippi, Arkansas and New Mexico on whether the treaties ought to be ratified. Despite the fact that these are local community events involving a few hundred people, in each case efforts have been made to attract media participation. TV, radio and print press have been contacted and anticipated media coverage is substantial.

The call you place will be the highlight of the meeting and your participation will help greatly to generate additional public and media interest. This will also be an excellent way for you to have some direct contact with the average citizen in key states where we need to build additional support for the treaties.

- B. Procedure: At the scheduled time, the call will be placed from the Town Hall meeting to the White House. The President of the University of Southern Mississippi, Dr. Aubrey Lucas will greet you and read to you the question he has selected from those submitted by the participants. He will read you the name of the question's author so that you will then have the opportunity to address the person by name and answer his question. After the question has been answered you will have a few minutes to make any additional points you wish concerning the ratification effort. There will be no follow up question unless you desire it.
- C. Participants: Dr. Kenneth McCarty, Professor of History, University of Southern Mississippi, will present an historical sketch of the Canal; Lt. General Welborne Dolvin, US Army Retired will debate the pro side of the treaties against Jeffrey St. John, commentator for Mutual Broadcasting; Dr. Aubrey Lucas, President of the University of Southern Mississippi will select the representative question and read it to you.

### III. TALKING POINTS

1. I recommend that in your reply to the Panama question you take the opportunity to congratulate the University of Southern Mississippi and the National Foreign Policy Association on their commendable effort to inform the citizens of Mississippi about this vital national issue.
2. You might also acknowledge the presence of Lt. General Welborne Dolvin who will be making the case (as he has before) for the treaties.
3. Last, you might want to point out that this phone call is in keeping with your commitment to discuss foreign policy directly with the citizens of this country.

*David Farber*  
*Paul Herrick*  
*Ricky Dyson*



United States  
Environmental Protection Agency  
Washington, D.C. 20460

The Administrator

January 13, 1978

WEEKLY REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

Even though this has been a very active week,  
I do not have any items of sufficient significance  
to bring to your attention.

A handwritten signature, likely of Douglas M. Costle, is written in the lower right portion of the page. The signature is stylized and cursive.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

MINUTES OF THE CABINET MEETING

Monday, January 16, 1978

The thirty-eighth meeting of the Cabinet was called to order by the President at 9:02 a.m., Monday, January 16, 1978. The Vice President was absent due to the death of Senator Hubert Humphrey. He returned to Minnesota yesterday with Mrs. Humphrey and the Senator's body. All Cabinet members were present except Mr. Bergland, who was represented by Deputy Secretary of Agriculture John White; Ms. Kreps, represented by Under Secretary of Commerce Sidney Harman; Dr. Schlesinger, represented by Deputy Secretary of Energy John O'Leary; Ambassador Strauss, represented by Deputy Special Trade Representative Alan Wolff; and Mr. Vance, represented by Deputy Secretary of State Warren Christopher. Other persons present were:

Peter Bourne	Robert Lipshutz
Zbigniew Brzezinski	Bunny Mitchell
Bill Cable	Frank Moore
Hugh Carter	Dick Pettigrew
Doug Costle	Frank Press
Stu Eizenstat	Charles Schultze
Jane Frank	Jay Solomon
Rex Granum	Stansfield Turner
Richard Harden	Jack Watson
Hamilton Jordan	

The President said that he had asked Messrs. Jordan and White to discuss the 1978 Congressional elections, and Mr. Schultze to outline and comment briefly on the Administration's forthcoming economic policy later in the Cabinet meeting. He requested comments from Cabinet members beginning with the Secretary of Defense:

1. Dr. Brown said that the resignation of Italian Prime Minister Andreotti could create problems with the handling of sensitive information by that country. Moreover, its geographical position and the NATO bases there make Italy extremely important from a military point of view.

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-- Dr. Brown will be making phone call remarks to audiences in Little Rock, Arkansas; Riverside, California and Tuscon, Arizona on the importance of ratifying the Panama Canal Treaties. The President commented on the success of Mr. Vance's recent phone-in to Springfield, Massachusetts on this subject.

-- The Presidential Commission on Military Compensation is nearing the end of its deliberations. Hearings are almost over and recommendations are due in March. Dr. Brown said that few on the Commission feel that the system can remain as it is if the goals of equity and economy are to be reached.

-- DOD has reviewed the Seafarer system--a low-frequency system for communicating with submarines--and will submit recommendations today to the President via Messrs. Watson and Brzezinski.

-- DOD is also deciding whether a 105mm or 120mm gun will be used to equip the XM1 tank. The decision will be based on capability, cost and coalition warfare concerns. Whatever weapons design is chosen will most likely be manufactured at the Watervliet arsenal in the United States. There is some Congressional support for a German design, and there is also some opposition.

-- Deputy Secretary Duncan recently visited Mississippi with Senator Stennis and reported that Stennis believes careful timing and coordination with Congress is needed to take care of the very large number of 1978 issues (Panama Canal, B-1, SALT, etc.).

-- Dr. Brown noted that a recent Washington Post article describing the Supreme Court's action on the one-house veto question was erroneous. All the Supreme Court did was to deny certiorari. No decision was made on the merits. The Attorney General said that he has sent a memorandum to the President on this point.

-- Dr. Brown is concerned with the suggestion of some unions that "consultative commissions" be set up between them and the federal government as a precondition of their not opposing some parts of the Administration's civil service reorganization proposal. Mr. Eizenstat, who chaired a recent meeting on this subject, said that the Cabinet will have a chance to review proposals before they are submitted to the President.

2. Dr. Harman said that the Administration has been criticized in recent months for its failure to do enough for minority businesses. The Commerce Department is engaged in two significant activities relating to minority business, one through the Office of Minority Business Enterprise, and the other through the Inter Agency Council which Dr. Harman chairs. He said that the problems are diverse and substantial, but that progress is being made. For example, thanks to the efforts of DOD, Interior and other agencies, the Administration will exceed the goal of \$1 billion in purchases over a two-year period from minority businesses which was announced by the President on September 12, 1977. Dr. Harman said that he and the Commerce Department are working closely with minority business leaders in an effort to insure the presence of necessary production capacity to respond to increased demand by federal purchasers. He said that Ambassador Young and others have suggested expanding minority business activities to the Caribbean and Africa, where there are favorable markets. Dr. Harman said that the impatience and criticism of minority leaders are understandable but that he is determined to convert their impatience into support.

-- The President noted that Black leaders with whom he met last week expressed some concern about this issue, and that he supplied them with statistics about the federal government's programs. He also told them that his Administration will continue to make every effort to promote minority business, and that he has inserted a paragraph in his State of the Union Message on this subject.

3. Mr. Adams said that DOT is observing a set-aside in the Northeast Corridor contracts for minority businesses and has computerized the list of minority firms with which it is dealing.

-- He will go to the Midwest this week to work on the problems connected with two bankrupt railroads. He has just given the President a memorandum on the subject.

-- Mr. Adams said that he would like to talk briefly with the President before he meets with Senator Cannon tomorrow and noted that because the Senator is now Chairman of the Senate Commerce Committee, he is in a unique position to push the Administration's airline deregulation bill.

-- Mr. Adams has prepared a memorandum for the President on mass transit and highway legislation and thinks that if a Presidential Message accompanies the

legislation, we can get key Congressional leaders to introduce it early in the session.

4. Mr. McIntyre said that the proposed schedule for releasing the FY '79 budget is as follows: The Congressional leadership will receive copies early Friday, and all documents will be sent to Congress late Friday, embargoed until Monday: a Saturday morning press briefing will be held, embargoed until Monday. Public interest groups will be briefed on Saturday afternoon; and some federal departments will hold their own briefings at the same time. He noted that OMB staff will be happy to help Departments with their Saturday press briefing in any way possible. He then distributed to the Cabinet "eyes only" copies of the President's budget message and urged that no distribution of the document occur prior to the official announcement.

-- Mr. McIntyre said that there are five central themes in the FY '79 budget which he hopes all Cabinet members will emphasize in a coordinated fashion:

1. We must meet critical national needs, particularly human and social ones;
2. Because government resources are scarce, their use must be planned with the awareness that they come from the earnings of workers and profits of business firms;
3. There is a limit to what government can do. New priorities must be set and some old priorities must be changed;
4. We have an obligation to manage with excellence the huge sums in the budget;
5. Our fiscal policy must provide for continuing recovery of the nation's economy.

-- Mr. McIntyre said that the budget puts us on an outlay path that keeps open the option for a balanced budget by 1981, but this might have to be deferred if the President decides that the economy needs a further tax cut in the future.

-- Several important programs in the FY '79 budget are:

- ° In the Labor Department there is additional emphasis on employment of youth and minorities. The full level of 725,000 public service jobs is retained through 1979;
- ° In DOT more flexibility is granted the states on transportation issues;
- ° In HEW there are improvements in Medicaid to help children and family planning. There are increased educational opportunities for students.

-- Mr. McIntyre said that although the FY '79 budget is tight, it addresses critical social and health needs.

-- He added that he is distributing a memorandum to the Cabinet outlining the need for longer-range budget planning. The President said that he has approved this initiative.

-- Mr. McIntyre said that our efforts must be addressed to getting the budget through Congress. He urged the Cabinet to inform their own Congressional liaison staffs of their own strong support for the budget and of the necessity to advocate it in the budget and appropriation committees as well as the authorizing committees.

-- Dr. Brown asked whether materials relating to ZBB would be made available to the Congress by OMB. Mr. McIntyre responded that OMB would not make these materials available and that Congress would have to request such information from the agencies.

5. Mr. Wolff said that Ambassador Strauss had just completed negotiations for a comprehensive economic and trade agreement with Japan. He said that the agreement had "great promise," and that it "defines a new economic relationship" between the two countries. Some details of the agreement include: a recommitment by the Japanese to a growth rate of 7%; reduction of the current account surplus from \$11 billion to \$6 billion in one year and, thereafter, espousal of the goal of equilibrium; a commitment to parity of market access; commitments to increase the volume of manufactured imports; tariff cuts; increasing the beef import quota in Japan by ten times, the citrus quota by three times and juice quota by four times;

Reviewing and lifting foreign exchange controls in two years; Sending "buying missions" to the U.S. to shop for nuclear power plant components, citrus products and lumber, and a variety of manufactured goods; Opening up the Japanese system of government procurement; Expanding import credits; Doubling foreign aid; and playing a leading role in the Multilateral Trade Negotiations (MTN). Mr. Wolff thanked the NSC, Commerce, Agriculture, Labor, Treasury and State for their help in making the trade negotiations a success.

-- This week the STR is preparing the U.S. offer for Multinational Trade Negotiations in Geneva. A memorandum has been sent to the President on the subject.

6. Mr. O'Leary said that DOE has achieved an acceptable solution to the middle distillate monitoring problem raised at the President's last press conference.

-- He said that the fuel situation looks stable. The only bad area is Long Island where a significant power outage from last week's storm still exists.

-- DOE is working on the promotion of solar energy over the next two decades and wants to include the CEQ and Science Advisor in its planning.

-- Recent press accounts about the storage of nuclear waste in Carlsbad, New Mexico have been inaccurate. No decision has been made about this and DOE has promised to consult with the Congressional delegation, state officials and the general public in New Mexico before any decision is made.

7. Ms. Harris said that HUD and the FDAA looked at the Suffolk County power outage situation over the weekend and found that it did not appear to meet the definition of a "disaster area" as defined in federal law. HUD is, nonetheless, reviewing the federal response to federal power outages.

-- She noted that a great number of HUD programs focus on rural housing, and that she has created a special task force in HUD on this subject.

-- A recent GAO report on Indian housing shows an increase in substandard housing and a decrease in the

amount that is being provided by the federal government. She is working with Interior and Agriculture on the problem.

-- HUD has just published regulations to implement Section 108 loan guarantees which permit the use of several years of community development funds for one project through a loan guarantee using future community development funds as security.

-- She described the Housing Opportunity Plans (HOPS) program which provides bonuses to deconcentrate minorities in city centers and disperse them to surrounding areas. She stressed that this approach does not provide penalties or substitute federal control for local initiative.

-- The President noted the improvement over the past year of the federal government's capability to handle disasters promptly and effectively--a subject of constant complaint while he was Governor of Georgia.

8. Mr. White said that Mr. Bergland is in Minneapolis today.

9. Mr. Blumenthal said that the dollar "held its own" last week and was doing well when the European markets opened earlier today. The Treasury Department is involved in contingency planning should the situation worsen, but for the moment the situation is in reasonably good shape.

-- The IRS will announce today several major rulings, one of them on the subject of limiting foreign tax credits by oil companies to certain Middle Eastern countries. That ruling has been carefully coordinated with State and DOE and clarifies an important area of the law.

-- In coordination with Commerce, Treasury will issue guidelines on the Arab boycott legislation.

-- New York's Governor Carey will announce today a \$750 million tax cut for New York State. Mr. Blumenthal said that this action on the Governor's part will pose political problems for the New York City financing situation since the City still has an approximate \$1 billion deficit. Mr. Blumenthal had lengthy conversations with Senator Proxmire last week; the Senator remains skeptical about extending further financial assistance to New York City. He noted that Senator Proxmire was the key switch vote in the Senate in 1975 on the subject of providing aid for New York City.

-- Mr. Blumenthal said that the President's tax message will go to the Hill on January 21st, and that the press will be briefed the day before. Treasury will provide a summary document explaining the themes of the program to the Cabinet. The message proposes \$10 billion of tax reform and \$35 billion of tax cuts for a net tax reduction of \$25 billion. Its general goals are to take account of inflation--including the tax increase by virtue of Social Security reform--and to stimulate purchasing power. Over 90% of the tax cuts are concentrated on those with incomes of \$30,000 or less for a family of four. For example, a family of four earning \$20,000 a year and taking the standard deduction will pay \$316 less in taxes next year. On the reform side, efforts are being made to simplify the filing of taxes. For example, Form 1040A is reduced from twenty-five to fifteen lines. Treasury anticipates that approximately 83-84% of taxpayers, compared to 74% now, will take advantage of the standard deduction. A second element of reform is to make the system fairer by substituting a simple credit for the present complicated system of exemptions and credits; by curbing deductions of extravagant entertaining expenses; and by tightening the use of tax shelters by the more affluent. Another feature of the package is to spur real business investment, especially by smaller businesses and venture capital.

-- Mr. Blumenthal said that circumstances surrounding introduction of the legislation are "relatively auspicious." A briefing of business leaders in the White House last week was excellent, although he was somewhat disappointed by some of the attitudes expressed.

10. The Attorney General said that the Tongsun Park examination in Seoul, Korea was going well.

-- He reiterated that the President had absolutely nothing to do with the Justice Department's decision to replace the U.S. Attorney in Philadelphia. He described steps the Justice Department is taking to assess the validity of certain allegations that have been made regarding the reasons for removal of the Philadelphia U.S. Attorney.

11. Mr. Marshall said that the Labor Department is working on reauthorizing legislation for the Comprehensive Employment Training Act (CETA) program and hopes to achieve more focus on structural problems and on employment of the disadvantaged. He plans to concentrate the program

on the places of highest unemployment, highest population and on jobs to meet certain critical needs. Among these jobs are transportation projects (for example, construction of railroad beds); energy; and programs to overcome bottlenecks in economic and community development.

-- He noted that those who stand to lose from concentration of CETA funding will resist his reforms. Ms. Harris suggested that an additional area of critical need on which CETA funds should be focused is housing. Mr. Marshall said that he agreed.

-- He said that DOL is undertaking a major effort to improve relations with the private sector. In this connection he noted the need to name a new chairman of the National Alliance of Businessmen to replace Mr. William Miller who has been named Chairman of the Federal Reserve Board.

-- In consultation with DOT, DOL established last week a labor/management committee in the airline industry. The committee will try to reduce strikes and time lost and will undertake a long-term analysis of employment prospects in that industry.

-- The coal negotiations are still underway, and Mr. Marshall is "moderately optimistic."

12. Ambassador Young said that he spent several days last week at a business roundtable on trade and investment in the Third World. He said that the Third World will be very supportive of the initiatives suggested by Dr. Harman concerning stimulating export activities of U.S. minority businesses.

-- He attended several Martin Luther King birthday celebrations last week and noted that few people are aware that over four million new jobs have been created in the past year. He stressed the need to reverse what he calls "cynical trends."

-- The groundwork has been laid in the U.N. on Rhodesia. Assistant Secretary of State Richard Moose is now meeting with British Foreign Secretary David Owen in London on the future of the Anglo/American plan. They are hoping to develop a Security Council resolution to point up the advantages of an international solution to the Rhodesian problem.

13. Dr. Brzezinski said that the NSC met last week to discuss arms transfers policy and will be sending a proposal to the President to achieve greater regularity in that policy; suggest options on annual decreases in arms sales; and propose a master list for this year.

-- NSC also reviewed technical issues concerning the cruise missile in connection with the SALT negotiations.

-- NSC held a meeting on terrorism and is exploring ways to combine DOD and FBI capabilities to deal with terrorism and to test U.S. capability to respond to terrorist attacks. We are working with Senator Ribicoff, the author of legislation on terrorism, to determine whether some compromises may be worked out on his terrorist bill.

-- Dr. Brzezinski is reviewing the Italian situation. Although the U.S. believes in non-interference, it is not indifferent to a Communist regime there.

-- He said that Soviet presence in Ethiopia is a growing problem.

14. Mr. Schultze said that on Friday the Economic Report of the President will be submitted to the Congress, a break from precedent since this message has traditionally been combined with the CEA report. He summarized the report as follows:

- ° The U.S. economy is healthy, especially as compared with other countries in the developed world. In the past year the U.S. has created over four million new jobs; eliminated 1.1 million from the unemployment rolls; and generated a 6% real increase in disposable personal income and a 6% real growth in the economy.
- ° Despite these gains, over six million people are still out of work; 3.5 million are not fully employed; minority groups have much higher unemployment; there is a 6-6.5% inflation rate and a \$60 billion budget deficit.
- ° The President's economic program has four goals:
  - to improve the economy by generating 4.5-5% real growth and reducing unemployment by 1/2% each year;

- to rely principally on the private sector to take the lead;
  - to contain and try to reduce the level of inflation; and
  - to be mindful of the U.S. role in the international economic situation.
- ° The Administration's strategy has a number of elements:
- to enact a national energy program;
  - to manage the federal budget to deal with national needs while reducing spending;
  - to reduce taxes as the main vehicle to assure steady growth;
  - to reduce the federal budget deficit and achieve a balanced budget as rapidly as the developing strength of the economy will allow;
  - to improve existing programs and develop new ones to attack unemployment (including full funding of 725,000 public service jobs); new youth initiatives; welfare reform; and the enlistment of the private sector to hire the disadvantaged;
  - to promote greater business capital formation;
  - to fight inflation in the public sector by being exceedingly careful about federal regulatory activities, and in the private sector by asking business and labor to join in a "deceleration program" to keep wages and price increases each year lower than in the preceding year and to consult with the Administration concerning the difficulties in achieving this goal;
- Mr. Marshall suggested that civil rights reorganization be mentioned in connection with the efforts to fight unemployment. Mr. Schultze and the President agreed.

15. Mr. Califano said that a recent Washington Post article concerning HEW's efforts to stop out-migration of hospitals from center cities to suburbs was inaccurate; HEW has no authority to do this.

16. Mr. Andrus said that the Vice President's recent Western trip in which he and Messrs. Bergland and Watson participated was a great success. He noted that the Vice President will submit a report on the trip to the President and stressed the importance of our following through on several matters discussed on the trip.

17. Mr. Christopher said that Mr. Vance will arrive in Jerusalem at noon today our time. His trip was postponed with the President's concurrence due to difficulties arriving at an agenda. There is now concurrence on a U.S.-proposed agenda including:

1. A declaration of principles for a comprehensive Middle East settlement;
2. Guidelines for negotiations on the West Bank and Gaza;
3. The elements of a peace treaty.

Mr. Christopher said that the difficulties are symptomatic of the fact that the after-glow of President Sadat's trip to Jerusalem has worn off.

-- He said that the Vice President is going to Canada tomorrow and will visit Alberta and Ottawa. The trip is important, among other reasons, because the subject of energy will be discussed. The Vice President will return for the State of the Union Message on Thursday and then go to Mexico for four days, also to discuss energy.

18. The President said that he will sign today an Executive Order on intelligence activities.

-- He said that business leaders want a letter from him urging our ambassadors to promote U.S. exports, an activity in which foreign ambassadors in other countries are very aggressive. He asked Mr. Christopher to look into the matter and determine whether a letter from him or the State Department would be advisable.

-- The President suggested that if the Cabinet is interested, Mr. Watson will set up a meeting to brief them on details of the Administration's economic and tax packages.

-- He announced that there will be no Cabinet meeting next week since he will not return from St. Simon's Island until the afternoon.

-- He asked Messrs. Blumenthal and Schultze to prepare a brief memorandum for him on steps the U.S. could take to shore up the value of the dollar.

-- He asked Cabinet members to hold down the length of weekly reports. He prefers a one-page summary, similar to the Kiplinger Report format, unless there are extraordinary circumstances.

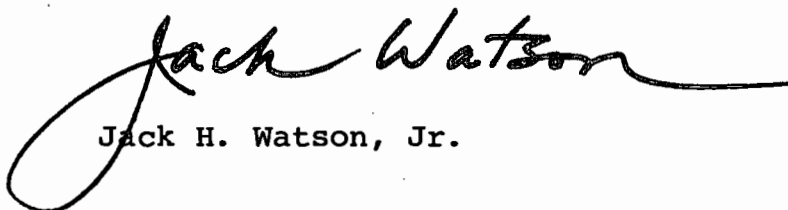
19. Messrs. Jordan and White briefed the Cabinet on the 1978 Congressional elections and the role they are requested to play. All speaking requests on behalf of Congressional and Gubernatorial candidates are to be cleared with Messrs. Moore, Jordan and Watson.

-- The President said that Mr. White will be a great asset to the DNC. The President will make two campaign trips in February and March on behalf of Senatorial candidates.

20. The President said that he will leave immediately after the Cabinet meeting to attend Senator Humphrey's funeral in St. Paul, Minnesota. He said that, "Yesterday I acted in my role as President, but today I go as a friend."

The meeting was adjourned by the President at 11:12 a.m.

Respectfully submitted,



Jack H. Watson, Jr.

Cabinet  
1/16/78

THE WHITE HOUSE  
WASHINGTON

No cabinet mtg next week  
Length of weekly reports  
Memo on supporting \$  
1/20 fundraiser  
> Griffin re FBI

Italy - military

Panama forums

Military Compensation Committee  
Seafarers

XM-1 Tank gun 105/120 mm  
(either to be produced in U.S.)

Civil Service reorg

Minority Business complaints

NE Corridor - minority contracts

Midwest RR's

Meet w Sen Cannon = Air dereg

Mass/Hwy Xport policy → Cong

74'79 budget themes/mtg

LR budget planning

US/Japan trade agreement

US MFA offer

THE WHITE HOUSE  
WASHINGTON

Ambassadors promote trade  
Intelligence Ex Order  
> VP → Canada, then Mexico

Middle distillate price monitoring

Long Is - 300,000 meters out

Solar energy use - report

Waste Isolation P.I.O. - Carlsbad

Disaster administration

GAO report - Indian housing

Tax msg 1/21 > 93% ↓ ≤ 30000

\$ lately holding own - thin - ?

IRS on for Tax Credit Oil Cos. No

→ Anti Boycott guidelines = Treas/Con

NYC = \$750 mil state tax ↓

1040 A 25 → 15 lines

KCIA - going well = T. Park

Marston

CETA reauth - Title VI problem

Coal - moderately optimistic

THE WHITE HOUSE  
WASHINGTON

Trade/invest in 3<sup>rd</sup> World  
MLK Jr B'day mky  
Rhodesia - Morosow

Arms sales - Master list  
SALT review = CM define  
Terrorism - Capabilities impressive  
Italy - Conventional position  
Su/Cuba in Ethiopia

1/20 Econ report  
Healthy econ  
GNP +6%  
Consumer income +5 1/2%  
Inflation rate moderating  
Goals - 1/2% unemp/yr - steady grow  
Private sector take lead  
Contain, reduce rate of inflat  
Healthy world econ.  
Energy program = budget % ↓ = Tax  
Deficit ↓ = disadvantage empl =  
Bus capital = Inflation ↓ =

Hospitals = → subsidies  
Western trip - VP support

THE WHITE HOUSE  
WASHINGTON

Vance → Jerusalem  
Politics - '1978

THE WHITE HOUSE  
WASHINGTON  
January 16, 1978

Jim Fallows

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: The Vice President  
Stu Eizenstat

RE: 1978 AGENDA

CONFIDENTIAL ATTACHMENT

THE WHITE HOUSE  
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	MONDALE
<input type="checkbox"/>	<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	<input checked="" type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	<input type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	<input type="checkbox"/>	MOORE
<input type="checkbox"/>	<input type="checkbox"/>	POWELL
<input type="checkbox"/>	<input type="checkbox"/>	WATSON
<input type="checkbox"/>	<input type="checkbox"/>	McINTYRE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input checked="" type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	GAMMILL

<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE WHITE HOUSE  
WASHINGTON

January 12, 1977

MR. PRESIDENT:

The Vice President asked that I forward this to you in his absence. The Vice President's memorandum summarizes the chart on which you earlier checked off, and reflects most of the recommendations made by the Cabinet members, who were given the opportunity to comment on the initial agenda.

  
Stu Elzenstat

THE PRESIDENT HAS SEEN.



OFFICE OF THE VICE PRESIDENT  
WASHINGTON

January 9, 1978

~~CONFIDENTIAL~~

cc: To Jim Fallows  
Marked items -  
at recent mention  
in St of Union speech  
JC

MEMORANDUM FOR: THE PRESIDENT  
FROM: THE VICE PRESIDENT  
SUBJECT: 1978 AGENDA

The following memorandum is a summary of the 1978 updated agenda, incorporating your reactions and most recommendations provided by Cabinet Members.

Major controversial issues raised by Members of the Cabinet are almost exclusively confined to a few questions of who should be designated as "public lead" on Non-Presidential Priority issues. I will submit a decision memorandum on these questions next week.

Note also that Jim Schlesinger has advised there may be a need for "clean-up" legislation in the wake of final action on the energy bill. Since no specifics are known at this time, inclusion in the agenda and discussion with Congressional leaders should be deferred.

DECLASSIFIED  
E.O. 12356, SEC. 3.4(b)  
WHITE HOUSE GUIDELINES, FEB. 24, 1983  
BY Jeff NARS, DATE 4/4/90

~~CONFIDENTIAL~~

January 9, 1978

PRESIDENTIAL AGENDA UPDATE

I. "MUST WIN" HIGHEST PRIORITY

- | <u>&gt; Initiative</u>  | <u>Date</u>  |
|---|--|
| <u>&gt; Energy Legislation</u>  | (Carry Over)   |
| <u>&gt; Economic Policy</u><br>(Note: includes tax reform/relief,<br>PSE Jobs, youth employment, anti-<br>inflation policy and economic<br>development components of urban<br>policy) | January  |
| <u>&gt; Middle East Negotiations</u>  | Ongoing  |
| <u>&gt; Panama Treaties</u>   | (Carry Over; Presiden-<br>tial Speech in Feb.,<br>Ratification by Mar.)  |
| <u>&gt; SALT /CTB</u>   | (Agreement in April.<br>Presidential Speech and<br>major thrust for<br>ratification in May<br>extending through<br>Summer) |

January 9, 1978

II. HIGH PRIORITY PRESIDENTIAL

- > FY79 Budget Issues (Throughout Congressional Session)
- Remaining Components of Urban Policy (March)
- > Civil Service Reform and Reorganization (March)
- Trip to Latin America and Africa (March-April)
- > International Economic and Trade Policy (Including East-West Trade) (Ongoing)
- Presidential Address on Defense Issues/Decisions (February or March)
- Hospital Cost Containment (Carry Over)
- > Nuclear Non-Proliferation Legislation (Carry Over)
- > Paperwork Reduction/Regulatory Reform/Eliminating Fraud and Abuse (Ongoing)
- > Arms Sales (Ongoing)
- > Human Rights -- Diplomatic (Ongoing)
- NATO Summit and Follow-on May
- Economic Summit July

~~CONFIDENTIAL~~

January 9, 1978

III. STRONG PRESIDENTIAL INTEREST

- > Welfare Reform (Carry Over)
- > Education Reorganization (January)
  - Elementary and Secondary and Higher Education Legislation (February or March)
- > Consumer Agency (Carry Over)
  - Public Officials Integrity Act (Carry Over)
- > Labor Law Reform (Carry Over)
  - Airline Deregulation/Aircraft Noise (Carry Over)
- > Humphrey-Hawkins (Carry Over)
  - Lobby Reform (Carry Over)
  - Human Rights Legislative  
(Handling of Congressionally initiated proposals) (Carry Over)
  - Grey Area Systems Initiative ( March )
- > Southern Africa (Ongoing)
  - Cyprus/Turkish Bases: Greek/Turkish DCA's (Timing Dependent on Congressional Process)
  - Intelligence, FBI Charters (Spring)
  - Civil Rights Reorganization (January)
  - Alaska D-2 Lands (Carry Over)
  - Oil Price Freeze (Ongoing)
  - Major Energy Transportation Issues including West-East Crude Oil Transportation (Throughout 1978)
  - Child Health Assessment Proposal (Carry Over)

January 9, 1978

IV. HIGH PRIORITY NON-PRESIDENTIAL

<u>Debt Limit</u>	(March)
<u>Highway and Mass Transit Policy</u>	(January)
<u>Trade Adjustment Assistance</u>	(January)
<u>N.Y. Seasonal Loan Program</u>	(February)
<u>Nuclear Licensing Reform</u>	(January)
<u>Crop Insurance/Disaster Program Reform</u>	(February)
<u>Waterway User Fees/Locks and Dam 26</u>	(Carry Over)
<u>Comprehensive Oil Pollution</u>	(Carry Over)
<u>OCS Lease Reform</u>	(Carry Over)
<u>Wiretap Legislation</u>	(Carry Over)
<u>Indian Ocean Arms Limits</u>	(May, for signing at possible summit)
<u>Foreign Assistance Reform and Reorganization</u>	(Throughout 1978)
<u>Korean Conversion</u>	(May-July)
<u>Philippine Base Negotiations Concluded</u>	(May-July)
<u>PRC Normalization Decisions</u>	(Dependent upon discussions with PRC)
<u>Law of the Sea Decisions</u>	(March)
<u>MBFR Agreement</u>	(Late 1978)
<u>Teen Pregnancy Initiative</u>	(January)
<u>NATO Weapons Standardization</u>	(Throughout 1978)
<u>International Terrorism</u>	(Throughout 1978)

January 9, 1978

V. NON PRESIDENTIAL

<u>Crime Policy</u>	(March)
<u>Water Policy</u>	(March)
<u>Energy Impact Assistance</u>	(February)
<u>Energy Authorizations</u>	(February or March)
<u>REA Loan Policy</u>	(February)
<u>Rural Policy Study</u>	(March)
<u>Comprehensive State Energy Planning and Management</u>	(February)
<u>Health Authorizations</u>	(January or February)
<u>Child Nutrition Program</u>	(February)
<u>Amtrak Authorization</u>	(February)
<u>Older Americans Act</u>	(February)
<u>Rehabilitation and Developmental Disabilities Act</u>	(February)
<u>Title XX Day Care</u>	(February)
<u>Community Services Act</u>	(February)
<u>Social Security Reforms</u>	(February)
<u>OHAP &amp; Medicaid Coverage of Low Income Women</u>	(February)
<u>Medicaid Quality Control</u>	(March)
<u>FEC Reauthorization Proposals</u>	(February)
<u>ACTION/VISTA Authorization</u>	(February)
<u>Justice Department Authorization</u>	(February)
<u>National Heritage Program</u>	(February)
<u>Undocumented Aliens</u>	(Carry Over)
<u>Dairy Price Supports</u>	(May)
<u>Criminal Code Reform</u>	(Carry Over)

January 9, 1978

V. NON PRESIDENTIAL cont...

Redwoods National Park (Carry Over)

Election Reform (Hatch Act and  
FECA Amendments (Carry Over)

Coal Slurry Pipelines (Carry Over)

D.C. Package (Constitutional  
Amendment) (Carry Over)

Postal Reform Act (Carry Over)

Financial Institutions Reform (Carry Over)

Public Broadcasting (Carry Over)

White House Authorization (Carry Over)

No Fault Auto Insurance (Carry Over)

Mining Law Reform (Carry Over)

Ratification of TTB/PNE (After Panama, deferral  
unless SFRC wants to  
go ahead)

CW/RW (April)

Vice Presidential Trips to  
Canada, Mexico (January)

Tanker Safety (Carry Over)

OPEC/GSP Exclusion (Carry Over)

Black Lung (Carry Over)

Social Services Claims (Carry Over)

Child Welfare Services (Carry Over)

Possible Amendments to Food and  
Drug Act (Carry Over)

January 9, 1978

VI. PACING ADJUSTMENTS AND ISSUES TO BE RESOLVED

- > SALT (Timing recommendations appear in Category I above)
- > National Health Insurance (Principles early; bill before Congress adjourns)
- Surface Transportation Deregulation (After airline deregulation has passed)
- Foreign Visitors (Consensus that cut-back can be achieved, specific recommendations under analysis)
- Welfare Reform (Priority to energy and tax legislation in affected committees)
- Cyprus/Turkish Bases  
Greek Turkish DCA's (Postponement until late 1978 desirable, subject to consultation with Congress)
- DOD Reorganization (Timing of command structure reorganization now on a track (next summer) that DOD feels should be acceptable)
- ASAT Treaty (When Consumated)
- Crime Policy (Agreement with Attorney General to proceed in March)
- Reorganization Proposals (Agreement to proceed with 6 plans in 1978, timing and priority dependent upon final study recommendations)

(In addition to Civil Service Rights and a possible internal HEW education plan, other candidates include: OSHA, CASH MANAGEMENT, ERISA, LAW ENFORCEMENT (Border

January 9, 1978

VI. PACING ADJUSTMENTS AND ISSUES TO BE RESOLVED

Reorganization Proposals cont...

Management and General), Justice System, FEDERAL  
LEGAL REPRESENTATION, Emergency Preparedness,  
Administrative Services, Foreign and Defense  
Policy, local development and natural resources.)

171

THE WHITE HOUSE  
WASHINGTON  
January 16, 1978

The Vice President  
Midge Costanza  
Stu Eizenstat  
Hamilton Jordan  
Bob Lipshutz  
Frank Moore  
Jody Powell  
Jack Watson  
Hugh Carter

RE: CABINET SUMMARIES

The attached were returned in the  
President's outbox today and are forwarded  
to you for your information.

Rick Hutcheson

Attachment:

Treasury, CEQ, HUD, Agriculture,  
HEW, Justice, Commerce, Labor, CSA  
VA and CEA

CONFIDENTIAL ATTACHMENT

EYES ONLY

*eyes only*

THE WHITE HOUSE  
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI	
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<input type="checkbox"/>	<input type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	<input type="checkbox"/>	MOORE
<input type="checkbox"/>	<input type="checkbox"/>	POWELL
<input type="checkbox"/>	<input type="checkbox"/>	WATSON
<input type="checkbox"/>	<input type="checkbox"/>	McINTYRE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

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<input type="checkbox"/>	CAB DECISION
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<input type="checkbox"/>	GAMMILL

<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE WHITE HOUSE  
WASHINGTON

1/14/78

Mr. President:

EPA and GSA had nothing  
to report this week.

Rick

THE WHITE HOUSE  
WASHINGTON

*C*

MEMORANDUM TO: THE PRESIDENT

FROM:

Jack Watson *Jack*  
Jane Frank

January 14, 1978

RE:

Summaries for the Week of January 9 -  
13, 1978; Miscellaneous Items

We are attaching the weekly summaries.

For your information, Juanita and Jay Rockefeller held a press conference at the White House yesterday to announce the members of the Advisory Committee to the White House Conference on Balanced National Growth and to provide details on speakers and events for the Conference. Later the same day, the Advisory Committee met in the Roosevelt Room to be briefed on the same details and to plan their roles in the Conference and post-Conference. You have selected an outstanding group of people who want to be active in grappling with what are probably the toughest issues our country will face in the next decade.

CC: The Vice President



~~CONFIDENTIAL~~

THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

F.Y.I.

January 13, 1978

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. EPG ACTIVITIES

A. Economic Messages

Your economic advisers are now readying for you final drafts of the State of the Union speech, the Economic Report of the President, the Tax Message, and the Budget Message. I think that the very frequent Steering Committee meetings of recent weeks have produced an economic policy whose parts fit together coherently. The EPG process is working more smoothly than most of us thought possible last summer.

B. Regulatory Analysis

The volume and costliness of Federal regulation is the chief complaint I hear about the Federal Government from businessmen around the country.

On Thursday, the Steering Committee scrutinized the Regulatory Analysis Program (RAP) that will be announced as part of our new anti-inflation effort. The RAP, as presently formulated, has several elements:

- . All Executive regulatory agencies must issue with each major, proposed regulation a "regulatory analysis" of its economic consequences.
- . Each Cabinet secretary must periodically review in-depth the existing regulations within his/her agency.
- . Executive agencies must announce an advance agenda of their regulatory plans every six months.
- . An interagency committee, chaired by CEA, will review the economic soundness of the most important new regulations.

~~CONFIDENTIAL~~

Jay 4/10/90

The Steering Committee decided that the last feature -- central review of regulations -- will need significant strengthening in the long run. Accordingly, the Steering Committee will explore the creation of a permanent regulatory review staff, with a high level director, within OMB. This might lead to a "regulatory budget process" with real teeth -- permitting "zero base" examination of the Regulatory State we have created over the last half century.

The political and technical obstacles to real reform are obviously severe, but the Administration must take bold action to redeem your commitment to cut down on needlessly costly regulation. I will keep you apprised of our progress -- or lack thereof.

## 2. THE DOLLAR

Exchange market conditions have improved, but not to the extent where orderly conditions have been maintained without substantial official intervention. There have been episodes of speculative dollar selling this week, during which significant intervention had little effect. At other times, the markets have been better balanced. There was sizeable bidding for dollars Thursday afternoon, and exchange rates moved in a wide range. Trading began to settle slightly on Friday. Since the Treasury/Fed announcement last Wednesday, the U.S. has sold \$706 million of Deutschmark, shared equally between the Treasury and Fed. Foreign intervention has generally been moderate. As of late Friday morning the dollar was about 3 percent above its low against the Deutschmark reached just before the Treasury/Fed announcement.

We are working closely with the Fed on contingency planning, involving other steps which might be taken in the face of a resumption of great disorder in the market.

## 3. THE TREASURY SECURITIES MARKET

Through the week ending January 11, prices of Treasury securities declined.

The key factors precipitating the price declines were the increase in the discount rate and the upward pressure exerted by the Federal Reserve on the Federal funds rate. In an effort to support the dollar, the Federal Reserve increased the discount rate to 6-1/2 percent from 6 percent and edged the Federal funds rate higher to an apparent 6-3/4 percent target level, from 6-1/2 percent.

By the end of the statement week, an 8 percent prime rate was widespread. The prime rate had been 7-3/4 percent industry-wide since October.

4. THE TAX BILL IN CONGRESS

On January 30 and 31, I will testify before the House Ways and Means Committee on the Administration's tax proposals. Chairman Ullman has told me he generally agrees with a Treasury schedule by which the tax bill would be completed in the House by June.

5. IFIS AND WITTEVEEN FACILITY

We have begun extensive consultations on the Hill on both IFIs and the Witteveen Facility. I will meet with Chairman Mahon next week to work out appropriations treatment of Witteveen. Both of these issues will require your assistance in ensuring that the House and Senate leadership understand that these are high priority items, and it will be helpful if you mention that in your briefings and the Leadership breakfasts.

6. U.S. BANK LENDING OVERSEAS

The bank regulators (the Comptroller of the Currency, the Fed, and FDIC) will jointly release statistics on overseas lending by U.S. banks on Monday, January 16. The information will be more detailed than any previously released, setting forth aggregate U.S. bank loans by country. Although this information has generally been known to us, its release to the public is likely to give rise to concern about bank exposure in particular countries and to rekindle suggestions that our support of international financial institutions is a "bail-out" of the banks. It will make Congressional approval of IFI appropriations and the Witteveen Facility more difficult.

7. STEEL

Under Secretary Solomon met with the Chairmen of U.S., Bethlehem, and National Steel this week and received a generally favorable reaction to the initial set of trigger prices, but they claimed that there were some definitional anomalies for certain product prices. We agreed to look at their substantiating evidence with a view to possible later adjustment.

Press reports have indicated that the Federal Trade Commission is critical of the trigger price system. However, the Commission's report discussed only a hypothetical reference price system in which minimum prices would be fixed and enforced on all imports and involve a costly and difficult administrative procedure. We have urged the Commission's staff to indicate that it has not evaluated the Treasury trigger price mechanism, and that to clear up the confusion, it should issue a press clarification on this point.

- 4 -

8. BOYCOTT GUIDELINES

Treasury will be issuing in the middle of next week final guidelines on boycott-related activities under the Ribicoff amendment to the tax law. Commerce will also be publishing at about the same time, its final regulations under the Export Administration Act. We have tried to harmonize the results, to the extent possible under two differently worded statutes. I expect a number of the decisions reflected in the guidelines to be controversial. Specific provisions will be attacked by business groups; others will be attacked by Senator Ribicoff and Jewish groups.



W. Michael Blumenthal

CLASSIFIED BY W. Michael Blumenthal  
SUBJECT TO GENERAL DECLASSIFICATION  
SCHEDULE OF EXECUTIVE ORDER 11652  
AUTOMATICALLY DOWNGRADED AT TWO  
YEAR INTERVALS AND DECLASSIFIED  
ON DEC. 31, 1984-----

EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL ON ENVIRONMENTAL QUALITY  
722 JACKSON PLACE, N. W.  
WASHINGTON, D. C. 20006

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January 13, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren  
Gus Speth  
Marion Edey

*Amber*

SUBJECT: CEQ Annual Status Report

With almost a year behind us, we thought the following brief summary of our major activities to date would be of interest.

Environmental Message and Oversight: CEQ prepared your Environmental Message of May 23, 1977 which set out a broad legislative and administrative program for environmental improvement. It is frequently and approvingly cited. Our most recent survey of agency performance reveals substantial compliance not only with its terms but also its spirit.

Public Liaison: We have met frequently with representatives of business, labor and environmental groups. We have commenced a program of submitting "op-ed" pieces to major newspapers to explain in detail Administration objectives on poorly understood issues, e.g., wetlands preservation, utility rate reform and mineral leasing act abuses. Bi-weekly "brown bag" luncheons with environmental leaders have enabled us to exchange views, coordinate activities in support of Administration objectives, and provide advice within the Administration.

Annual Environmental Report: CEQ's annual report on the nation's environmental conditions and trends has been written and submitted to GPO for printing with expected release in February. This report contains comprehensive quantitative analyses of environmental data based on CEQ's monitoring and computer systems.

Reform of Environmental Impact Statements: Regulations reforming the environmental impact statement process by reducing paperwork, minimizing delay and improving the quality of decisions have been drafted and given to agencies for comment. This culminates several months of public hearings and consultations with interested persons and organizations.

Resolving Interagency Disputes: We have established and used new procedures for the early resolution of major interagency disputes on environmental issues. These procedures implement for the first time provisions of the Clean Air Act and the National Environmental Policy Act (NEPA).

Interagency Policy Coordination: CEQ chairs several high level interagency committees which are designed to identify problems in government performance, to enhance interagency coordination, and to develop initiatives for improved federal programs. These committees include the Toxic Substances Strategy Committee and the Environmental Data and Monitoring Task Force. We also took the lead in developing the Administration's wetland protection provisions for the Clean Water Act of 1977, and helped to coordinate the lobbying effort that secured enactment of strong provisions.

Policy Analyses and Proposals: Much of our effort has gone into developing policy analyses and new proposals for consideration within the Administration. Significant examples are:

- ° nuclear non-proliferation - worked closely with NSC and others to develop the Administration's strategy and lobbied Congress against the CRBR and the Barnwell reprocessing plant;
- ° economic assistance task force - convened an interagency task force to develop a coordinated Administration program of economic assistance when workers or communities are badly impacted by environmental regulations;
- ° marine mammals - acted to prevent the tuna industry from increasing their porpoise kills by developing strong Administration marine mammal protection act amendments to counter industry amendments; helped to preserve bowhead whales by facilitating acceptance by the International Whaling Commission of a limited quota;
- ° 1872 hardrock mining reform legislation - were the principal drafters of the Administration bill;
- ° wetlands and floodplains protection - drafted your executive orders imposing environmental restraints on new construction in wetlands and floodplains;
- ° toxic substances committee report - issued first report which recommended for EPA review 10 categories of chemical substances which may cause adverse health/environmental effects;
- ° water projects and water resources policy reform - helped in making recommendation to cancel 20 projects and to develop policy reform proposals which will be submitted to you soon;
- ° nuclear licensing reform bill - working closely with DOE and others to develop proposals that could expedite licensing while increasing public confidence in the licensing process and safety precautions;
- ° Alaska natural gas - reviewed DOI and FPC environmental impact statements, held public hearings here and in Alaska, and issued a public report recommending the Alcan route, the route subsequently approved by you and adopted by Congress.



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D. C. 20410

January 13, 1978

C

MEMORANDUM FOR: The President  
Attention: Rick Hutcheson, Staff Secretary

SUBJECT: Weekly Report of Major Departmental Activities

The following are brief descriptions of significant activities at the Department of Housing and Urban Development:

Rural Housing Task Force. I announced the formation of a new internal task force to explore ways of responding more effectively to the housing and community development needs of rural areas and smaller communities. I directed the task force to explore (1) whether alternative approaches may be more effective in delivering housing services to rural areas, and (2) whether costs of preparing applications for HUD programs are too burdensome for smaller communities. The task force will also compare HUD programs and those of the Farmers Home Administration to determine where duplications exist.

Urban Development Action Grants (UDAG). Regulations implementing the UDAG program were published for effect in the Federal Register on January 10, 1978. This is HUD's major economic development tool for distressed cities. The program is based on the leveraging of public dollars with private money in order to have the maximum effect on a community's economic problems. We have begun notifying mayors of sixty-one cities that meet minimum standards of distress and who have expressed an interest in the UDAG program to request eligibility determinations from our field offices. We are also briefing Congressional staff members on the details of the program.

Enthusiastic Response to HUD Publications. Last month we distributed 130,000 Energy Conservation Information Packets which included five HUD pamphlets with suggestions for saving energy. The campaign has generated requests by individuals, community planning groups, lending institutions, and others for many more packets. It is anticipated that by March 1, HUD will have distributed a quarter million packets.

As of today, 70,000 copies of "Questions About Condominiums," a guide for consumers relating to all aspects of condominium living, have been requested by consumers, as a result of an article in Parade magazine (Sunday supplement to The Washington Post). This is the highest booklet request for such a Parade article. In addition, the GSA Consumer Information Center has asked HUD to supply another 100,000 copies for the Center to distribute.

Hearings on Insurance Redlining. Allegations of "insurance redlining" - the denial of insurance for a home or business property solely because of location - were explored in two days of public hearings in New York City on January 11 and 12. HUD's Federal Insurance Administration conducted hearings in the South Bronx and Brooklyn to listen to homeowners, tenants, business people, representatives of the insurance industry, and consumer action groups. The testimony from these hearings is being compiled for a report requested by Congress to determine if legislation is necessary.

Studies in Crime Reduction. A number of program areas are jointly working on the problem of crime reduction in HUD projects. We currently are proceeding with a comprehensive demonstration program in order to determine new methods of increasing safety as one part of better management of HUD-owned multifamily projects. We are conducting studies on such items as improving security in high rise projects and other related programs for crime reduction.

Minority Bank Deposits Program. Individual agency figures for the quarter ending June 30, 1977 indicate that HUD is still first among all of the Federal sectors in minority bank deposits, with a total of \$40,467,000, which is 40.5 percent of the total deposits for all Federal agencies. The total deposits for all Federal agencies, including HUD, were \$99,825,000.

*Pat*

Patricia Roberts Harris



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

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January 13, 1978

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson  
Staff Secretary

SUBJECT: Weekly Report

TRAVEL. Secretary Bergland is accompanying the Vice President on the agricultural and Western Governors stops of his Western tour. The Secretary reports a far different atmosphere in meetings with non-strike farmers.

FARM WORKERS. Assistant Secretary Mercure held a series of meetings with Cesar Chavez and other Hispanic farmers and farm workers to discuss housing and marketing techniques for very small farmers.

HAZARDS. The Secretary continued a series of meetings with grain company officials to discuss causes and preventive measures of elevator explosions. Most industry representatives blame new EPA standards for the low-humidity high-risk conditions. USDA is exploring this claim and coordinating with EPA.

WHEAT. Heavy rains in Argentina indicate heavy damage to their wheat crop. Production may be down as much as one-half million tons and require imports of 400,000 tons.

MISCELLANEOUS. ~~Attached~~ are reports of Hill contacts and progress on appointments.

A large, stylized handwritten signature in black ink, reading "Carol Tucker Foreman".

CAROL TUCKER FOREMAN  
Acting Secretary

Attachments



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

January 13, 1978

C

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

The following is my weekly report on significant activities in the Department of Health, Education, and Welfare:

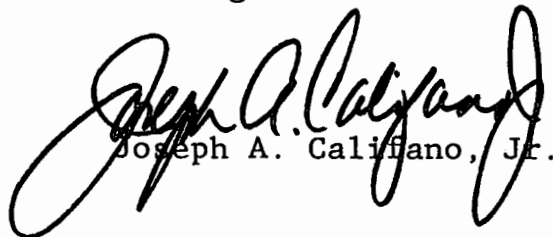
- Meeting With Chief State School Officers. The reaction of the Chiefs to their meeting with you was enthusiastic. The Chiefs had not been invited to the White House since the sixties. Commissioner Boyer has done a good job of keeping in close touch with the Chiefs, and your legislative program does begin to shift a measure of control and responsibility for Federal programs back to the States.
- Health Planning Guidelines. On Tuesday, I will announce the final version of the Health Planning Guidelines. As you know, they received a great deal of publicity when they were released in September. In response to criticism and on the basis of further analysis, we have partially relaxed the standards for rural and community hospitals, and for obstetrical units. In addition, we have built in a general exception provision to allow State and local health planning agencies to make local adjustments. The revised guidelines have been discussed with Senator Kennedy and Congressman Rogers, and there is general agreement that the changes will meet most of the objections that were voiced in the Fall.
- Civil Rights. The Department has completed revisions of, and will soon mail out, the Elementary and Secondary School Survey, which gathers data necessary for enforcement of laws protecting minorities, women, and the handicapped. After consultation with educators and civil rights groups, who had sharply criticized the survey in the past, the survey was revised to eliminate unnecessary or duplicative questions, reducing the number of questions by 40 percent. The survey will also be conducted every

The President  
January 13, 1978  
Page Two

other year. I believe we have achieved a good balance between ensuring sufficient data to enforce antidiscrimination laws and avoiding undue burdens on the schools.

- Coal Utilization. I have already sent the Report of the President's Committee on Health and Environmental Effects of Increased Coal Utilization to Stu Eizenstat, and will be publishing it for public comment next week. This HEW Advisory Committee was established after you announced in April that coal utilization would be a major component of your energy plans. The Committee concluded that the use of coal can be increased dramatically without major adverse health and ecological effects if current environmental and safety standards are carefully and stringently met. It was the consensus among DOE, EPA, CEQ and your staff that the report be transmitted formally to you along with public comment at the end of March.
- Urban Policy. Normally, I would not take your time up with a policy paper that is currently being discussed in the government. However, I spent much of the Christmas holiday and all of this past weekend reading all the urban material that had been prepared and writing the paper I ~~attach~~ to this memorandum. I had thought about seeking a 30 minute meeting with you to discuss this problem because I think it is so important that we get more clear-headed and realistic about our thinking. Instead, I hope you will take 10 minutes to read the enclosed paper and consider it a personal conversation with me on this subject. It is the clearest way I know how to suggest a proposal that will work and that is consistent with your basic philosophy of pressing states and cities to assume their responsibilities in this area, while making the federal government work better.

sent to Stu  
for inclusion  
in urban  
policy package

  
Joseph A. Califano, Jr.



## Office of the Attorney General

Washington, D. C. 20530

January 13, 1978

Q

Re: Principal Activities of the Department of  
Justice for the Week of January 9 through 13

### 1. Meetings and Events

The Attorney General spoke Tuesday to the National Press Club. He met Tuesday afternoon with senior Justice Department attorneys and officials of several General Counsel offices of several of the larger departments to discuss the quality of Justice Department representation of their departments. On Thursday, the Attorney General met with American Bar Association President William Spann and other senior ABA officials to discuss the proposal to reform LEAA.

### 2. Medical Furlough of John Mitchell

On January 13, the Attorney General announced that he had approved the Bureau of Prison's extension of the medical furlough of John Mitchell to January 27 (the 30-day limit). Although it was not included in the press release, the reason for the extension was to allow Mr. Mitchell to have an operation for an aneurysm of the lower aorta. He will enter Georgetown Hospital on January 22 and is presently scheduled to be operated on by Dr. Charles Hufnagel on January 24. It is expected that he will be in the hospital two to four weeks and will require at least another four weeks' supervised recovery. This operation was judged medically necessary prior to any consideration of treatment for his hip.

### 3. Foreign Intelligence Surveillance Act

The Attorney General testified Tuesday before the House Intelligence Committee in support of the proposed wiretap bill. He also indicated that, due to the increase in the number of Soviets admitted to the United States, there was an increased threat of espionage.

### 4. FBI Report

The Attorney General made public a Departmental report on financial wrongdoing by certain high FBI officials in the past. This included mishandling of certain special funds, establishing

an illegal exclusive relationship with an electronics supplier (U.S. Recording Corp.), and the personal receipt of goods and services from the FBI. The Attorney General announced a number of organizational reforms which Director Kelley has made to prevent any recurrence of these problems.

5. Indochinese Refugees

On the Department of State recommendation to parole an additional 7,000 Indochinese boat case refugees, the Attorney General has agreed to defer subject to exigent circumstances that might occur in the meantime the parole authorization until January 25 in order to allow Chairman Eilberg of the House Subcommittee on Immigration, Naturalization and International Law to hold a hearing on January 24. In congressional consultation on this parole request, the Attorney General perceived an increasing reluctance that he use in the future the Attorney General's parole authority to admit additional groups of Indochinese refugees. The Attorney General has directed his staff to work closely with the Department of State, NSC, and Congress to consider a statutory resolution of our nation's immigration policy concerning the anticipated continual flow of Indochinese and Soviet Jewish refugees.

6. The Department's weekly report on appointments is ~~attached~~.

to HJ

THE SECRETARY OF COMMERCE  
WASHINGTON, D.C. 20230

January 13, 1978


REPORT TO THE PRESIDENT

Business Investment for 1977 and 1978

The Department's annual survey of business spending for new plant and equipment was released this week and shows an estimated 13.7 percent gain for 1977, or about 8 percent after adjustment for inflation. The survey also indicates that the gain in 1978 will be somewhat less--10.1 percent in current dollars and about 4½ percent in real terms. It should be noted that business investment in 1977 significantly exceeded last year's estimate; a similar pick-up of actual over planned spending could well occur during 1978 and would bring the gain in real terms to about 7 percent. You may recall that Reg Jones' estimate of business spending for 1978 was higher than the Commerce estimate; he projects a real gain of about 6 percent. Tax reductions could, of course, raise his estimate.

LONGER TERM PERSPECTIVES

In remarks this week before the National Retail Merchant's Association convention in New York City, I was able to stress a matter in which I have a particularly strong interest--the importance of demographic and social trends to both business planning and to the development of national economic policies. For example, during the next ten years the important 15 to 19 age group will actually decline in size by over three million. It is especially significant that from now until the end of the century, a steadily increasing majority of the U.S. population will be in the 21 to 62 age group, the most economically productive years. Certainly our frustrations to date in achieving an effective energy policy illustrate the critical need for the longer term perspective by those responsible for guiding our Nation's future.

  
Juanita M. Kreps

U. S. DEPARTMENT OF LABOR  
OFFICE OF THE SECRETARY  
WASHINGTON

"FYI"

C

January 13, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *RMH*

SUBJECT: Major Departmental Activities, January 7-13

UNEMPLOYMENT RATE

As you know, the December unemployment rate dropped to 6.4 percent, thus enabling the Administration to make our economic target for 1977. The December 1976 unemployment rate was 7.8 percent, so this represents a decrease of 1.4 percent during your first year in office. It should be noted, however, that while black teenage unemployment declined in December to 37.3 percent, this figure is still 2.5 percent higher than it was a year ago. I think that much of the recent drop in the unemployment rate is due to the Economic Stimulus Package (public works spending and public service jobs) having its long-awaited impact on the economy. It is important to recognize that the December drop in the unemployment rate was not due to a statistical quirk. Each December, the Bureau of Labor Statistics revises the formula of seasonal adjustments that it uses to calculate the unemployment rate. Their revised figures indicate that the December rate was the culmination of a trend which began in September. Their figures now show that the unemployment rate dropped to the neighborhood of 7.0 percent in April and stayed there through August. It then dropped to 6.8 percent in September and declined further to 6.7 percent in November. As a result of these recalculations, the December figures can be seen as the culmination of a four-month trend, rather than an isolated occurrence.

## ECONOMIC STIMULUS PACKAGE

### Public Service Employment

Our figures for the first week in January indicate that 627,000 people are now holding CETA jobs. We also have figures showing that black participation in the CETA system has jumped considerably since the initiation of the Economic Stimulus Package. In September 1976, blacks represented 21 percent of the new entrants into public service jobs. In September 1977, 35 percent of all new CETA jobs went to blacks. A similar pattern emerges for black youth. Blacks account for 24 percent of all youth unemployment, yet they comprise 37 percent of all youth enrolled in CETA jobs.

### Youth Program

On January 12, I announced the selection of the 17 sites which had been selected to run youth entitlement programs. This \$109 million demonstration program, which is part of the new Youth Employment and Demonstration Projects Act, provides guaranteed jobs to all low-income teenagers living in these selected areas. We feel that we handled the selection of these 17 sites in a way that minimized the political objections of those cities which were not selected to participate in this demonstration project.

## UNDOCUMENTED ALIENS

On February 3, Attorney General Bell, Immigration Commissioner Castillo and I will be going to Mexico to discuss your proposed legislation on undocumented aliens with President Jose Lopez Portillo and other Mexican officials. We have asked the Congressional sponsors of the Administration's bill to accompany us. This meeting is the result of an invitation from the Mexican government and we hope to learn more about their attitudes toward the problem, as well as explaining our legislative initiative to them.

## COAL

Coal negotiations resumed yesterday with the United Mine Workers (UMW) offering a new package proposal. The Bituminous Coal Operators Association (BCOA) worked through the night to prepare a counter offer which will be placed on the bargaining table

later today. For the moment, it is impossible to ascertain how far apart the two offers are. It is hoped that the two offers are close enough so that the parties can break down into subcommittees to work on resolving their remaining differences. Wayne Horvitz of the Federal Mediation and Conciliation Service (FMCS) will advise me immediately if there are any break-throughs in the negotiations.

#### OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)

On January 16, OSHA will announce an emergency temporary standard to protect workers against excessive exposure to the cancer-causing chemical acrylonitrile, also known as vinyl cyanide. This temporary standard, which will be effective immediately, will affect 10,000 workers in the plastics industry and is expected to have minimal economic impact.

**Community** WASHINGTON, D.C. 20506  
**Services Administration**



MEMORANDUM TO THE PRESIDENT

FROM: Grace Olivarez *GO*  
Director  
Community Services Administration

RE: The Community Services Administration Weekly Report,  
Friday, January 13, 1978

We welcome this opportunity to provide, in this our first report, information on agency progress toward the development of management controls, policy and programs.

MANAGEMENT AND ADMINISTRATION:

The Community Services Administration has instituted a number of managerial changes to improve efficiency including: a total agency reorganization resulting in closer monitoring of CSA's 1500 grantees, the largest single delivery mechanism in the federal government; consolidations of investigative and auditing functions in one office, establishment of systems for receiving and processing information to uncover misuse of federal funds and pin-point responsibility for taking corrective action; initiation of training for grantee boards of directors and managers, Auditors and Property Managers, as well as, development of comprehensive management information systems to support decision making based on measurable data; and requiring audits, inspections and evaluations prior to refunding decisions.

Under our Single Purpose Application and Automatic Referral System (SPAARS) demonstration project, we are developing, in cooperation with the Federal Commission on Paperwork, a model system to simplify and consolidate the application process for the delivery of social services which will result in a reduction of costs and paperwork. An Inter-Agency Task Force will be established to implement the system.

Agency morale has been greatly heightened as a result of recently instituted employee physical fitness and incentive awards programs.

POLICY INITIATIVES:

We completed a series of Public Policy Forums, one in each of the federal regions, to hear directly from the poor and seek their advice on how CSA can better use its resources to break the cycle of poverty. This information will be used to formulate an over-all agency policy and strategies for the next three years. We anticipate providing you with a report by March 1, 1978.

PROGRAM INITIATIVES:

a. YOUTH UNEMPLOYMENT AND ENERGY PROGRAM:

In response to Presidential request, CSA has funded programs in ten major cities to reduce unemployment among minority youth. In addition several C.D.C.'s have established Youth Employment Programs which provided 350 private sector jobs, in October of 1977.

b. CITIES IN SCHOOLS PROGRAM:

A project designed to raise the basic learning skills of urban elementary and secondary school students through motivation and the provision of supportive social and health services.

c. THE FAMILY CRISIS INTERVENTION CENTER:

A project designed to provide services to low-income family units with social and emotional problems, increasing the chances of families remaining intact.

d. MIGRANT WOMEN AND INFANT CARE (WIC) PROGRAM:

This project is jointly funded with the Department of Agriculture, and seeks to make the services of local agencies available to migrant farm workers thereby increasing the number of migrants able to obtain continuity of federal program benefits as they travel in the migrant stream.

CSA has taken the lead in the creation of an employee stock ownership plan to purchase a faltering steel mill in Youngstown, Ohio. HUD has provided additional funds to expand the project, and EDA and ERDA are assisting in the modernization of the plant. We believe this project exemplifies the manner in which interagency cooperation can be utilized to provide assistance to the nation's poor. For, while the mandate to eliminate poverty resides in CSA, the resources to do so reside primarily in the other federal agencies.

e. We have taken steps to greatly increase interagency cooperation on programs to assist the poor. For example:

- 1) Agreement with EDA to administer technical and financial assistance to community-based economic development projects at ten national sites.
- 2) An agreement with the Social Security Administration to demonstrate the use of Community Action outreach to improve the access of eligible persons to SSI benefits.

- 3) An agreement with the Department of Agriculture to assist the small family farmer and increase social and developmental services to the rural poor.
- 4) An agreement with DOD and other departments to increase the opportunity for minority business enterprises to participate in federal procurement programs.
- 5) An agreement with HEW, DOC, and DOJ to support a large-scale demonstration of integrated service deliveries to minority youth in public schools.

CONCLUSION:

CSA's size, flexibility, community-based delivery systems, and years of experience in working with the poor places the agency in a unique and highly credible position to assist other federal agencies to deliver services to poverty communities.



VETERANS ADMINISTRATION  
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS  
WASHINGTON, D.C. 20420

January 13, 1978

• TO: The President

THRU: Jack H. Watson, Jr.

FROM: Administrator of Veterans Affairs

*[Handwritten signature]*

VA Presidential Update

Unique Training Program for Physicians . . . VA just announced a program - to begin July 1 - to train doctors in special medical care of the aging. The fact that the more than 13 million World War II veterans will reach an average age of 65 by 1984 underscores the need for such training. The first 12 physicians, already board certified in other specialties, will be given two years of training in geriatrics and gerontology at six VA hospitals, and then will become VA teachers and pace-makers in the new specialty. Twelve more physicians will be added to the program each year.

Energy Conservation . . . VA's 172 hospitals reduced their energy consumption in the last quarter of F. Y. 1977 by 192 billion BTU's at a savings of \$960,000. This assured VA's goal of zero energy growth for F. Y. 1977 despite rising energy costs, more severe weather and extra energy needs for additional square footage and added mechanical systems. The cost of energy increased at the rate of \$1,038,333 per-month during the 12 month period ending June 30, 1977.

Priority on Employing Vietnam Era Veterans . . . VA has hired 9,546 of these veterans since I took office. VA had a total of 36,969 such veteran-employees as of the end of November. Not only is VA a leader in providing jobs for Vietnam era veterans, but their 16.3 percent portion of total VA employment is nearly double the government-wide average.

Curbing First Class Travel . . . First class air travel by VA officials has been reduced nearly 83 percent in the last 10 months, following restrictions imposed by me. The number of first class trips dropped to 45, compared with 260 in the prior 10 month period.

Reduced Length of Hospital Stay . . . The average length of stay for all patients in VA hospitals, including the chronically ill, was trimmed by 1.7 days in F. Y. 1977. Translated, the drop from an average 34 day length of stay to 32.3 days required 1,600,000 fewer days of hospitalization than would have been required if the F. Y. 1976 trend persisted.

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

January 13, 1978

C  
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MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*  
SUBJECT: CEA Weekly Report

Economic Report. The CEA staff is in the final stages of preparing your economic report to the Congress and of our own annual report. Your report will be published on January 20, and our annual report will be published on January 28.


State of the Union. CEA has been working closely with Jim Fallows on the latest draft of the State of the Union speech. We provided a draft section on energy and the economy to Jim for Wednesday.

Economic Consultations. My staff has worked with Stu's staff and the Commerce Department to prepare for the meeting this morning on our economic program with business leaders. This afternoon, I joined Mike Blumenthal in a meeting at the Treasury to outline our economic program to a group of well-known economists.

EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL ON ENVIRONMENTAL QUALITY  
722 JACKSON PLACE, N. W.  
WASHINGTON, D. C. 20006

January 13, 1978

MEMORANDUM FOR RICK HUTCHESON

FROM: Charles Warren   
SUBJECT: CEQ Weekly Status Report

Because of the very sensitive information in the second item in the enclosed weekly report, it is for the President's eyes only.

Please call me if for any reason you desire to widen the distribution of this memorandum.

Thank you for your cooperation.



United States of America  
General Services Administration  
Washington, D.C. 20405

Administrator

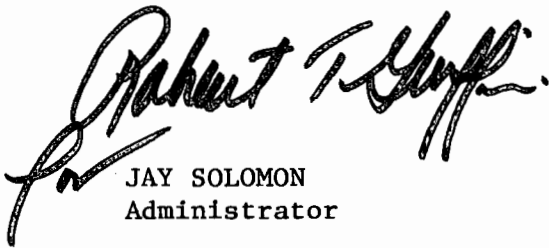
January 13, 1978

MEMORANDUM TO THE PRESIDENT

THRU: Rick Hutcheson

SUBJECT: Weekly Report of GSA Activities

A negative report is submitted for the week ending January 13, 1978.

A handwritten signature in dark ink, appearing to read 'Jay Solomon'. The signature is written in a cursive, flowing style with a large initial 'J' and 'S'.

JAY SOLOMON  
Administrator

X

THE WHITE HOUSE  
WASHINGTON

January 16, 1978

MEMORANDUM FOR: JODY POWELL  
FROM: TIM KRAFT  
SUBJECT: Interview with the  
Black Press concerning  
the Budget

You are aware of the time binds for this week. We literally do not have a 15-minute period to allocate for this.

Also, this would be the only constituency group that would receive a Presidential briefing on the budget. Could we ask Jim McIntyre's office to do this?

cc: Rick Hutcheson ✓  
Fran Voorde

ID 780105

T H E   W H I T E   H O U S E

WASHINGTON

DATE: JAN 12 78

FOR ACTION: TIM KRAFT

INFO ONLY:   FRAN VOORDE

BUNNY MITCHELL

FROM: RICK HUTCHESON   WHITE HOUSE STAFF SECRETARY   PHONE 456-7052

SUBJECT   POWELL MEMO DATED 1/12/78 RE INTERVIEW WITH THE BLACK PRESS  
          CONCERNING THE BUDGET

RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY

BY 1000 AM   SATURDAY   JAN 14 78

ACTION REQUESTED:   YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR.   ( ) NO COMMENT.   ( ) HOLD; DO NOT FORWARD.


PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE

WASHINGTON

January 12, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Jody Powell 

RE : Interview with the Black Press.  
Concerning the Budget

A group of black editors have requested an interview next week concerning the new budget. They will be asking questions about how the budget affects the black community, what it contains for black people, how these funds will be placed in agencies that have direct relations with the black community and how these funds compare to allocations for similar purposes in previous years.

The organizations requesting the interview are: Black Audio Network, Mutual Black Network, National Black Network, Black Enterprise Magazine, Jet Magazine, The Washington Afro-American and The Chicago Daily Defender.

I recommend granting this interview. Stu Eizenstat will brief the editors on the aspects of the new budget before you see them. Your portion could consist primarily of prepared remarks to cut down on preparation time.

This would fit in with our plans to deal more effectively with constituency groups this year.

It is important that black readers and listeners receive some kind of idea of what the Administration plans to do for them in your second year in office.

Nearly every black community in the country is reached by at least one of these outlets: This one interview will provide an opportunity to emphasize to all those communities the positive aspects, for them, of your budget proposals.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

ID 780105

T H E   W H I T E   H O U S E

WASHINGTON

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FOR ACTION: TIM KRAFT

INFO ONLY:   FRAN VOORDE

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THE WHITE HOUSE  
WASHINGTON

<input checked="" type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI	
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<input type="checkbox"/>	<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	<input type="checkbox"/>	JORDAN
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<input type="checkbox"/>	<input type="checkbox"/>	McINTYRE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
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<input type="checkbox"/>	GAMMILL


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<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input checked="" type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE WHITE HOUSE

WASHINGTON

January 12, 1978

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Approve \_\_\_\_\_

Disapprove \_\_\_\_\_